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ASEAN Holds Dialogue Meetings With Russia, Canada

BK2507123796 Kuala Lumpur Voice of Malaysia in English 0800 GMT 25 Jul 96

[FBIS Transcribed Text] ASEAN is concerned about its two-way trade with Canada, which despite growing, is still low compared to ASEAN's other dialogue partners, notedly the United States and Japan.

Foreign Minister Datuk Abdullah Ahmad Badawi says although total trade between ASEAN and Canada reached 13.9 billion ringgit in 1997, it was only 1 percent of Canada's global trade.

Speaking at the ASEAN-Canada dialogue session today, he said an expanded presence of the Canadian private sector in the region will in turn strengthen the economic link between ASEAN and Canada.

Malaysia is the coordinating country for the ASEAN dialogue session with Canada, one of its 10 dialogue partners at the ASEAN Post Ministerial Conference.

Datuk Abdullah said Canadian enterprises, particularly the small and medium scales, can use ASEAN as a manufacturing base for the wider Asia-Pacific market. It will welcome collaborated ventures by ASEAN and Canadian business community in the business and investment opportunities.

While focusing on trade and investment in the years ahead, Abdullah also called on both sides not to lose sight of the importance of development cooperation.

Meanwhile, Russian Foreign Minister Yevgeniy Primakov has proposed that a Russia-ASEAN committee be set up to exchange information and promote cooperation.

Primakov told the opening of the first ASEAN-Russian dialogue session that the ASEAN countries lacked information about Russia and certain prejudices toward Russia still persist. He said Russia is a very different country now compared to even five years ago as demonstrated by the presidential elections, which were won in a run up this month by President Boris Yeltsin. He added the time is right to formalize the established factors of collective meetings between the deputy minister of foreign affairs of Russia, and the ambassadors of the ASEAN countries in Moscow by creating a Russia-ASEAN committee.

Four African Leaders Arrive in Malaysia To Take Part in Dialogue

BK2807145996 Kuala Lumpur SUNDAY STAR in English 28 Jul 96

[BERNAMA report—received via Internet]

[FBIS Transcribed Text] Langkawi—Three presidents and a vice-president of African countries arrived yesterday to take part in the Second Langkawi International Dialogue on Smart Partnership which begins tomorrow.

They are Zimbabwe President Robert Mugabe, Namibia President Dr Sam Nujoma, Botswana President Sir Ketumile Masire and the Vice- President of Malawi Justin C. Malewei.

The dialogue, with the theme Smart Partnership for Global Cooperative Prosperity, is jointly organised by the Commonwealth Partnership For Technology Management Ltd, the Malaysian Industry-Government Group For High Technology and the Commonwealth Foundation For Technology Management.

Prime Minister Datuk Sri Dr Mahathir Mohamed is scheduled to open the dialogue.

Deputy Prime Minister Datuk Sri Anwar Ibrahim will deliver a keynote address on the second day of the dialogue.

More than 200 people, including government and corporate leaders, will take part in the three-day dialogue.

Japan

Japan: Tsukahara Says U.S. 'Must Compromise' in Chip Talks

OW3007231396 Tokyo KYODO in English 2155 GMT 30 Jul 96

[By Kohei Murayama]

[FBIS Transcribed Text] Vancouver, Canada, July 30 KYODO — Japan's Trade Minister Shumpei Tsukahara said Tuesday he is ready to take further steps but only after the U.S. side moves to compromise toward resolving the bilateral microchip dispute by Wednesday's deadline.

"The U.S. side must compromise," Tsukahara said as he spoke to reporters upon his arrival at the Vancouver airport.

Japan has been making proposals, and will "definitely" not offer any compromise over its "three basic principles," Tsukahara said.

The three principles are rejecting any language that allows the U.S. to impose its "301" retaliatory trade laws, pursuing a"fair" reciprocal agreement, and dismissing "managed trade," he said.

But Tsukahara noted that he "could be moved" depending on what his counterpart acting U.S. Trade Representative Charlene Barshefsky would propose.

Tsukahara and Barshefsky are to begin their last-ditch talks later in the day, following up on their deputy-level talks since Sunday in a bid to resolve the dispute by the deadline.

On the eve of the minister-level talks, Japan presented a final compromise proposal to the U.S. side, featuring Tokyo's acceptance of a U.S. call for having both industries to take over market-share surveys conducted by both governments under the current 1991 semiconductor agreement that expires Wednesday, Japanese sources said.

As for the thorniest issue of whether to continue government role in monitoring foreign market access, the proposal opens the way for the U.S. side to consider acceptable concessions over its demand to maintain government involvement, while maintaining Japan's basic stance of no commitments, the sources said.

Expressing his will to resolve the dispute in Vancouver, Tsukahara said Prime Minister Ryutaro Hashimoto instructed him shortly before leaving Tokyo to "do all he could" to reach an agreement.

Meanwhile, Tsukahara expressed strong regret over recent comments by U.S. Commerce Secretary Mickey Kantor describing the unilateral U.S. estimates under the auto trade agreement last summer as "obligations" on Japan.

Japanese officials said the remarks have made Japan even more cautious about agreeing with U.S. proposals in the semiconductor talks.

The current microchip accord calls on Tokyo to ensure foreign market share in Japan of more than 20 percent, but Japan has rejected any new arrangements suggesting new numerical targets now that the foreign share has topped 30 percent.

Under the auto trade accord, the U.S. side announced its estimates of how much the agreement would help increase access to Japan, while the Japanese side brushed aside those figures as a unilateral U.S. action not stipulated in the agreement.

U.S. sources said Washington is expected to take a similar approach of announcing a unilateral quarterly calculation and publication of foreign share in Japan.

Japan: Trade Minister: U.S 'Lacks' Understanding of Proposal

OW3107051196 Tokyo KYODO in English 0414 GMT 31 Jul 96

[FBIS Transcribed Text] Vancouver, July 30 KYODO — Japanese and U.S. trade chiefs were still wide apart Tuesday in their talks over the microchip trade dispute in Vancouver, Canada, despite last-ditch efforts to resolve it by the Wednesday deadline.

Japanese International Trade and Industry Minister Shumpei Tsukahara showed frustration with the way things were going with acting U.S. trade representatives Charlene Barshefsky when he emerged from the meeting room for a break.

"Our discussions are stalled along parallel lines from the starting point," Tsukahara told reporters, adding, "the U.S. side lacks a basic understanding of Japan's (new) proposal."

On the eve of the minister-level talks, Japan presented a final compromise proposal to the U.S. side, featuring Tokyo's acceptance of a U.S. call for having both country's industries take over the market-share surveys conducted by both governments under the current 1991 semiconductor agreement that expires Wednesday, Japanese sources said.

As for government involvement, the proposal opens the way for the U.S. side to make concessions over its demand to maintain government involvement, while preserving Japan's basic stance of no commitments, the sources said.

The trade chiefs discussed the new Japanese proposals during the meeting.

The Tsukahara-Barshefsky talks are being held here, after deputy-level talks from Sunday failed to narrow the gaps on the thorniest issue of whether to continue a government role in monitoring the foreign market share in Japan under the current 1991 bilateral microchip accord.

Both sides are seeking compromises before making last-minute political decisions to resolve the dispute.

Tsukahara said, "The deadline is set at 1 P.M. on Aug. 1, Japan Standard Time."

Barshefsky said, on exiting the discussion room, that the ministerial discussions are suspended for a break and deputy-level discussions will follow.

In late June, U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto set Wednesday as a deadline for the two countries to strike a deal on the issue.

Giving further impetus to the Vancouver talks, Clinton and Hashimoto recently exchanged letters to seek a political solution to the dispute.

U.S. and Japanese officials said the two leaders also instructed their trade ministers shortly before departing for vancouver to put their greatest efforts toward striking an agreement before the deadline.

The current microchip accord calls on Tokyo to ensure a foreign market share in Japan of more than 20 percent, but Japan has rejected any new arrangements suggesting new numerical targets now that the foreign share has topped 30 percent.

Under the auto trade accord between the two countries, the U.S. side announced its estimates of how much the agreement would help increase access to Japan, while the Japanese side brushed aside those figures as a unilateral U.S. action not stipulated in the agreement.

U.S. sources said Washington is expected to take a similar approach of announcing a unilateral quarterly calculation and publication of foreign market share in Japan.

Japan: Tsukahara Says 'We Have Offered Our Maximum Compromises'

OW3107065196 Tokyo KYODO in English 0625 GMT 31 Jul 96

[By Kohei Murayama]

[FBIS Transcribed Text] Vancouver, July 30 KYODO - Japanese and U.S. trade chiefs instructed their deputies Tuesday to proceed with talks in Canada around the clock after confirming a lack of progress in minister-level sessions to seek a final "political" decision to resolve the bilateral microchip dispute.

"The minister and I had a frank exchange of views, and we have agreed that our officials should meet this evening," acting U.S. Trade Representative Charlene Barshefsky told reporters as she emerged from her first two-hour meeting with Japanese International Trade and Industry Minister Shumpei Tsukahara.

Also speaking to reporters, Tsukahara said he and Barshefsky had agreed to set 9 P.M. Wednesday as the deadline to resolve the dispute — the time in Washington when the 1991 bilateral accord expires.

Both trade chiefs have been under pressure ahead of Wednesday, set as the deadline in late June by Japanese Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton to resolve the dispute.

"We'll have to ask our deputies to hold talks without sleeping," Tsukahara said while expressing dissatisfaction over a lack of progress so far.

A Japanese official, speaking on condition of anonymity, said, "another round of cabinet-level talks is unlikely tonight."

The minister-level talks focused on spelling out each other's principles without going into substance, Tsukahara said.

He criticized the U.S. position, saying, "the U.S. side does not understand that we have offered our maximum compromises even at the cost of sacrificing our industry."

Yoshihiro Sakamoto, vice trade minister for international affairs, confirmed that Japan presented a final compromise proposal to the U.S. side on the eve of the minister-level talks.

Tokyo has presented what it terms some ideas as a political judgment to accommodate the U.S. demands but says the proposal maintains the substance of its position.

However, Ira Shapiro, senior counsel and negotiator for the U.S. Trade Representative, told reporters after his morning meeting with Sakamoto said, "we are still far apart and disappointed about the distance at the moment."

The Sakamoto-Shapiro meeting was joined by industry executives of the two nations, apparently to discuss the new Japanese proposal conveyed unofficially at the last minute of their two-day talks since Sunday.

"There were no indications for flexibility from Ambassador Barshefsky," Sakamoto said. "The U.S. side has not made any proposal to try to reach an agreement."

Asked about the prospects of an agreement, Sakamoto said, "we are looking forward to some big step from the American side to reach a good conclusion for both sides."

Speaking to reporters as he arrived at the Vancouver airport Tuesday morning, Tsukahara said he is ready to take further steps but only after Barshefsky moves to compromise toward resolving the issue.

Japanese sources said Tokyo's new proposal features acceptance of a U.S. call for having Japanese and U.S. industries take over the market-share surveys conducted by both governments under the current accord.

As for the thorniest issue of whether to continue government role in monitoring market share in Japan, the proposal opens the way for the U.S. side to make concessions over its demand to maintain government involvement, while preserving Japan's basic stance of no commitments, the sources said.

The current accord calls on Tokyo to ensure a foreign market share of more than 20 percent through quarterly market surveys, but Japan has rejected any new arrangements suggesting new numerical targets now that the foreign share has topped 30 percent.

The Vancouver talks now seem to depend on whether the U.S. side will offer a compromise to accommodate the Japanese proposal.

The anonymous Japanese official quoted Barshefsky as telling Tsukahara that she believes the dispute could be resolved by combining "the Japanese principles and U.S. concerns."

Referring to a high-profile bilateral auto trade accord reached last summer, U.S. sources said Washington is expected to take a similar approach of announcing a unilateral quarterly calculation and publication of foreign market share in Japan.

Under the auto accord, the U.S. side announced its estimates of how much the agreement would help increase access to Japan, while the Japanese side brushed aside those figures as a unilateral U.S. action not stipulated in the agreement.

As for a government role, the U.S. will seek an off-the-record commitment from Japan to ensure market access, the sources said.

Japan: Negotiators Begin Drafting Microchip Accord

OW3107122596 Tokyo KYODO in English 1216 GMT 31 Jul 96

[By Kohei Murayama]

[FBIS Transcribed Text] Vancouver, July 31 KYODO — Japan and the United States began drafting a microchip agreement early Wednesday in Canada for trade chiefs to make a final tough decision while seeking industry support before adopting a final version by the 9 P.M. deadline.

"The two nations are set to adopt an agreement in less than an hour depending on the U.S. move," a senior Japanese official told reporters on condition of anonymity.

In apparent action toward such a direction, acting U.S. Trade Representative Charlene Barshefsky met with Japanese industry representatives late Tuesday to adjust their views with U.S. positions, immediately followed by talks with U.S. industry leaders early Wednesday to arrange theirs with a new Japanese compromise proposal.

A U.S. trade official stressed the importance for the Japanese and U.S. industries to reach an agreement on what he termed fundamental issues, although he said the two governments still have substantial differences to resolve.

The U.S. move to act flexibly over what Tokyo stressed is its final compromise proposal came after an abruptly arranged second meeting between Barshefsky and Japanese International Trade and Industry Minister Shumpei Tsukahara.

Emerging from the two-hour talks at the U.S.-side hotel in Vancouver, Tsukahara told reporters, "she firmly understood the importance of addressing the industries of both nations."

"Barshefsky told me that she will work overnight to persuade the U.S. industry with the Japanese proposal in mind, while asking for some support on U.S. ideas from the Japanese industry," Tsukahara said.

Asked if Japan is also ready to compromise further, Tsukahara said, "we have already given everything."

In their first meeting earlier Tuesday, Tsukahara and Barshefsky agreed to set 9 P.M. Wednesday as the deadline to resolve the dispute — the time in Washington when the 1991 bilateral accord expires.

Both trade chiefs have been under pressure ahead of Wednesday, set as the deadline in late June by U.S.

President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto to resolve the microchip row.

After the first Tsukahara-Barshefsky meeting, Yoshihiro Sakamoto, vice minister for international affairs at Japan's Ministry of International Trade and Industry, told reporters, "we are looking forward to some big step from the American side to reach a good conclusion for both sides."

Sakamoto said that Japan has conveyed the final proposal "as a political judgment...to accommodate the U.S. demands," but that the proposals maintains the substance of Japan's position.

U.S. and Japanese officials said industry representatives from both nations will hold a meeting Wednesday morning to present new ideas toward an industry agreement on a new framework for cooperation.

The industry meeting is expected to come up with an agreement particularly over joint surveys on foreign market share in Japan, while Tsukahara and Barshefsky hold another round of talks to touch bases a final time before issuing a government agreement.

As for the thorniest issue of whether to continue a government role in monitoring market share in Japan, the new Japanese proposal opens the way for the U.S. side to make concessions over its demand to maintain government involvement, while preserving Japan's basic stance of no commitments, Japanese sources said.

The current accord calls on Tokyo to ensure a foreign market share of more than 20 percent through quarterly market surveys, but Japan has rejected any new arrangements suggesting new numerical targets now that the foreign share has topped 30 percent.

Japan has also called for replacing the current bilateral accord with a global government forum that will hold an annual joint meeting with a Japanese industry-proposed World Semiconductor Council — an idea aimed at blending the U.S. demand for a government role in industry-level activities and Tokyo's insistence for no government involvement.

The Vancouver talks now seem to depend on what measures Barshefsky will take to accommodate the Japanese proposal.

Referring to a high-profile bilateral auto trade accord reached last summer, U.S. sources said Washington is expected to take a similar approach of announcing a unilateral calculation and publication of foreign market share in Japan.

Under the auto trade accord, the U.S. side announced its estimates of how much the agreement would help increase access to Japan, while the Japanese side brushed aside those figures as a unilateral U.S. action not stipulated in the agreement.

On the sidelines of the auto trade talks, Japanese automakers announced plans to boost production in North America, and U.S. automakers vowed to step up their sales efforts in Japan.

As for a government role, the U.S. is likely to seek an off-the-record commitment from Japan to ensure market access, the sources said.

Japan: Kubo Hopes for U.S. Compromise on Insurance Dispute

OW3107102296 Tokyo KYODO in English 0957 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Finance Minister Wataru Kubo on Wednesday expressed hopes that the United States will make a counterproposal to break the impasse over Japan's measures to liberalize its insurance market.

The U.S. has not yet made a concrete proposal to settle the insurance dispute, Kubo said at a news conference.

Kubo's comments came after Japan and the U.S. ended Tuesday [30 July] the first-day session of their senior-level insurance talks in Vancouver, Canada.

Eisuke Sakakibara, director general of the ministry's International Finance Bureau, and Ira Shapiro, senior counsel in the Office of the U.S. Trade Representative, are now making last-ditch efforts to strike a deal on the issue by the self-imposed deadline of Wednesday local time.

Kubo said Sakakibara and Shapiro will resume talks Wednesday morning.

Kubo said he is hoping for compromise offers from the U.S. in the last-day session, saying Shapiro is probably consulting with acting U.S. Trade Representative Charlene Barshefsky on measures to break the deadlock.

Kubo said that if necessary, he will hold telephone talks with Barshefsky on the insurance issue.

Negotiation sources said Japan has proposed further deregulating the auto insurance sector in response to U.S. requests.

Japan: Top Nonlife Insurer Opposes U.S. Auto-Insurance Proposal

OW3107132096 Tokyo KYODO in English 1312 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — The head of Japan's nonlife insurance industry on

Wednesday expressed his opposition to proposed mail-order sales of auto insurance policies.

Introduction of mail-order sales after the liberalization of premiums called for by the United States would stiffen competition for policyholers who have little record of accidents, Takeo Inokuchi, chairman of the Marine and Fire Insurance Association of Japan said.

Inokuchi made the remark at a news conference held in Tokyo.

The mail-order system was proposed by the U.S. during recent bilateral talks on liberalizing the Japanese auto insurance market.

Inokuchi said the mail-order system would lead to a rise in premiums for younger policyholders who tend to have more accidents than others, and eventually to a decrease in the number of contracts of voluntary auto insurance.

Inokuchi, also president of Mitsui Marine and Fire Insurance Co., added that the mail-order system would threaten the management of nonlife insurance agencies and prevent nonlife insurers from providing policyholders with better services.

He said, however, that there will be some room to accept the system if premiums are set within a fixed range and if there is little difference in premiums between mail-order sales and sales at agencies.

The U.S. has urged Japan to include liberalizing auto insurance premiums and lifting a ban on mail-order sales of auto insurance policies in its plans for deregulating the nonlife sector.

Japan: Sites Selected for Relocation of Okinawa Live-Fire Drills

OW3107095696 Tokyo KYODO in English 0948 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — The government informally decided Wednesday to select five sites for relocating live-ammunition drills that the U.S. forces currently conduct in Okinawa, government officials said.

The U.S. drills will rotate among five drill sites of the Japanese Self-Defense Forces (SDF), the officials said.

A formal decision on the alternate sites will be made by top Japanese and U.S. officials Thursday, they said.

The five sites are in Hokkaido, Miyagi, Yamanashi, Shizuoka and Oita Prefectures, according to officials of the Defense Facilities Administration Agency.

The U.S. forces' practices are currently held in central Okinawa, southwestern Japan, over Prefectural Highway 104. Ordinary traffic on the highway is halted during the drills.

Japan and the U.S. have agreed to transfer the drills to other sites as part of efforts to reduce U.S. bases in Okinawa.

Japan: Hashimoto Comments on Peacekeeping Mission to Golan Heights

OW3107060896 Tokyo KYODO in English 0529 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Prime Minister Ryutaro Hashimoto on Wednesday encouraged a second Ground Self- Defense Force (GSDF) transport contingent joining a UN peacekeeping mission in the Israeli-occupied golan heights.

The troops will leave Japan later this week for a six-month assignment in the UN Disengagement Observer Force (UNDOF), replacing the first GSDF contingent that has served there since February.

Hashimoto told the troops, "UNDOF has played a major role in supporting the Middle East peace process. Your duties are very important to constitute Japan's personnel contributions to middle east peace."

Twenty-two representatives from the second contingent of 43 GSDF troops met the Prime Minister at his official residence.

Japan's participation in the Golan Heights mission, also including members from the Air Self-Defense Force (ASDF), is planned to continue for two years.

Japan: Tokyo To Host APEC Symposium on Intellectual Property

OW3107090296 Tokyo KYODO in English 0838 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Patent administration heads of the 18 Asia-Pacific Economic Cooperation (APEC) member economies will hold a symposium in Tokyo next month to discuss intellectual property right protection, the Japanese Patent Office said Wednesday.

The first-ever session of APEC patent chiefs will discuss measures for protection of patents and trade marks in the area and accelerate regional cooperation for implementing an intellectual property accord of the World Trade Organization (WTO).

The two-day symposium from Aug. 28 will comprise three thematic panel sessions and a plenary session, the office said.

Australia will coordinate a session on the role of intellectual property systems in economic development, while the United States will serve as a coordinator for one on implementation of the WTO's Trade-Related aspects of Intellectual Property Rights (TRIPS) accord.

The TRIPS agreement took effect in January 1995. All APEC members are aiming to implement the accord by the year 2000, when a moratorium expires for developing nations.

Meanwhile, the Philippines, which hosts an APEC ministerial meeting in November, will coordinate a session on nurturing personnel for developing intellectual property right systems.

The symposium comes as part of APEC cooperation on intellectual property rights — one of 15 regional partnership initiatives under the action agenda for trade and investment liberalization adopted at the APEC ministerial meeting in Osaka last November.

Japan: Hashimoto Stresses Budget Ceilings Without 'Sanctuaries'

OW3007143996 Tokyo KYODO in English 1333 GMT 30 Jul 96

[FBIS Transcribed Text] Tokyo, July 30 KYODO — Prime Minister Ryutaro Hashimoto expressed relief Tuesday about his cabinet's budget ceilings decision, saying it did not allow for any "sanctuaries" immune from spending curbs.

"This time I'm relieved because we were able to stick to our policy not to set any sanctuaries," Hashimoto said immediately after his cabinet decided on ceilings averaging 3.4 percent on budget requests by ministries and agencies for fiscal 1997 beginning next April 1.

Hashimoto told reporters at his official residence that he and his staff will draft allocations of the 300 billion yen special outlay to boost technology and information communications, which he says are vital to reform Japan's economic structure.

Japan: Hashimoto Urges Ministries To Cooperate on Communications

OW3107065396 Tokyo KYODO in English 0536 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Prime Minister Ryutaro Hashimoto instructed the trade and posts ministries Wednesday to form a joint promotion project with a special budgetary outlay for the information and telecommunication field, government officials said.

Hashimoto called Tomio Tsutsumi, vice International Trade and Industry minister, and Mitsuo Igarashi, vice Posts and Telecommunications minister, to his official residence, the officials said.

Hashimoto told the vice ministers that their ministries should cooperate to help Japanese industries in the information and communication field to obtain a stronger competitive edge in the international market, the officials said.

The government Tuesday set aside a special outlay of 300 billion yen for economic structural reforms in its national budget plan for fiscal 1997, starting next April.

With the special outlay, Hashimoto told the vice ministers that they should revitalize an organization that the two ministries jointly established in 1985 to promote basic technology studies, the officials said.

The organization, which was to contribute technological development, particularly in the information and communication field, is virtually dormant, partly due to lack of the ministries' cooperation.

The prime minister apparently wants to change the situation, the officials said.

Japan: EPA Head: Fiscal Deficit May Rise Without Deregulation

OW3107091196 Tokyo KYODO in English 0846 GMT 31 Jul 96

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Japan is at the crossroads of choosing between stimulating the economy through the deregulation of economic activities and plunging into a deeper fiscal deficit through the rejection of deregulatory steps, the Economic Planning Agency (EPA) chief said Wednesday.

Shusei Tanaka said at a luncheon meeting at the Foreign Correspondents' Club of Japan, "Japan has two options" in selecting the future course of its economic policies.

Tanaka described the first option as implementing a drastic deregulatory program, which he said would ensure stable economic growth by creating new industries and job opportunities.

The second and less recommendable option is to bypass commitments for pushing deregulatory steps as a mere "rhetoric" and compile a further series of fiscal stimulus measures whenever the economy comes to a standstill, he said.

As no future government is likely to tolerate drawing public ire by allowing the public to endure such a standstill, any government which rejects deregulation would count on fiscal pump-priming steps again, even at the risk of further aggravating Japan's state deficit, he suggested.

"I believe we are standing at the crossroads" of these two options, he said.

Commending the effects of past deregulatory steps in the telecommunication field, he said the combined sum of annual capital outlays by telecom carriers in Japan has expanded to a level "5.2 times that of Japanese steelmakers."

As a result of the privatization of Nippon Telegraph and Telephone Corp. (NTT) and the entry of the rivals of NTT and international carrier KDD into the telecom business, domestic telephone charges have been halved and international rates have been reduced to one-third in comparison with their levels prior to deregulation, he added.

Japan: EPA Head: Structural Problem Behind 'Severe' Job Conditions

OW3007084896 Tokyo KYODO in English 0831 GMT 30 Jul 96

[FBIS Transcribed Text] Tokyo, July 30 KYODO — Economic Planning Agency head Shusei Tanaka said Tuesday that there is a structural problem behind the current severe employment conditions in Japan.

Tanaka expressed his view following the release earlier in the day of Japan's unemployment rate for June, which showed that the jobless rate remained at a record high of 3.5 percent for the second consecutive month.

"Although the ratio of job offers to job seekers improved slightly (in June), the jobless rate was still severe. There is a structural problem behind this such as restructuring by corporations."

Tanaka made the remark at a press conference held Tuesday afternoon after a regular cabinet meeting.

Japan: 'Jusen' Diet Moves Toward 'Realignment'

962B0092A Tokyo SEIKAI SHUNJU in Japanese May 96 pp 6-11

[Article by Takao Iwami: "Movements Behind the Sene of 'Jusen Diet' Toward Realignment"]

[FBIS Translated Text] **Political Arena in Turmoil Because of Handling Jusen Issue**

For the current Diet session, the backlash of public opinion regarding dealing with the "jusen" [housing loan companies] is far worse than initial estimates of the political arena that encompasses the ruling coalition parties as well as the opposition parties, and that fact is driving the "jusen Diet" toward an impasse. The fact that 80 to 90 percent of public opinion is opposed to using taxes for dealing with the "jusen" is beginning to exert considerable pressure. Because each party is placing the greatest emphasis on stemming a decline in votes that would occur due to erroneous handling of the "jusen," the Diet session has become extremely constrained.

While the parties in power have gotten through for the time being, having formulated a temporary budget, this does not assure their ability to get by in subsequent stages. The picketing opposition party Shinshinto sought a deletion of the budget to deal with the "jusen" issue, and despite arguments for a freeze from among the ruling parties, careful observation reveals a divergence of opinion inside Shinshinto. Even inside the ruling parties, opinions in the LDP [Liberal Democratic Party] are split and even the three parties of LDP, Social Democratic Party [SDP], and Sakigake are not assuming a unified stance. In short, there is disarray among the ruling and opposition parties about handling the "jusen" problem.

One cause of that is the current administration itself which is composed of multiple political parties. The same is true for the opposition party Shinshinto; they are political parties in which several political parties have come together. Because the troublesome issue of "jusen" is hanging over such a coalition government, it is in unprecedented turmoil. Getting this under control is what is escaping the current political parties.

The former back room politics was criticized for occasions when money may have changed hands behind the scenes, but at least it had some semblance of ability of dealing with problems. Currently, however, when that sort of back room politics is no more, the ruling and opposition parties are unable to come to an understanding behind the scenes.

The year before last and last year, the Diet under the Murayama administration was characterized by a perfect game in which 100 percent of bills presented by the government were passed. In other words, there was actually a period in which there seemed to be almost no opposition between the parties in and out of power. Most of the bills did not become subject to strong public opinion or indications of approval or disapproval, and because problems were handled only amid the confines of Nagatacho, there was a continuing condition in which the only one who offered any opposition was the Communist Party.

Now, however, the atmosphere has changed completely and because public opinion has come to the point of almost storming the Diet, the situation has gotten out of control. This is the situation of the "jusen Diet."

Having reached this point, the internal operation of the ruling coalition parties is unable to exhibit a unified function, and it has become plain that the present cabinet lacks strong executive ability. This could be called the biggest problem that has surfaced as a result of the "jusen Diet."

Was Summoning of Kato as a Witness a Political Plot?

One problem that emerged as an offshoot of the "jusen Diet" was the summoning of LDP Secretary General Koichi Kato as a witness. Four years ago during the Miyazawa cabinet era at the time of the Kyowa scandal, Mr. Kato, then Chief Cabinet Secretary, came under suspicion regarding 10 million yen in illegal contributions. Mr. Kato even stood to defend himself in the Diet. This fact has pretty much been forgotten, but now the suspicion has been rekindled.

Because Mr. Kato's former supporters' association chief made the revelation that he was present at the scene of the receipt of 10 million yen, it seemed that the veracity of Mr. Kato's testimony in the Diet four years prior was in doubt. The opposition parties have pushed this problem to the forefront.

Why was this "old wound" brought out into the forefront of the "jusen Diet"? The logic of the opposition party is as follows: Kyowa, the company that made contributions to Mr. Kato, had been borrowing money from the "jusen." Even if it were 10 million yen, if it ended up in Mr. Kato's pocket, the opposition party's argument is that 10 million yen of the 685 billion yen budgeted for dealing with the "jusen" issue had gone to Mr. Kato, and therefore that fact must be made clear.

However, this is splitting hairs, and viewed fairly this approach is unreasonable. Although it is understandable to have questions about Mr. Kato, it is an issue that Mr. Kato should solve individually and bringing up this issue as a condition for reopening deliberations of the "jusen Diet" is rather childish.

The Kato camp asserts that this is nothing other than a political plot. What they mean by this is that the aim is not only to precipitate Mr. Kato's fall from power but the collapse of Kato executives of the LDP. That aim is not just supported by Shinshinto but by anti-Kato forces within the LDP as well.

While this is a painful theme for Mr. Kato, the public is also viewing it more as a plot than an effort at clearing up the original suspicion.

As we have been told for some time past, there are two currents within the LDP. One is Mr. Kato and his companions who are the group in favor of continued coalition that is trying to maintain a tripartite coalition structure of the LDP, SDP, and Sakigake. In contrast to this is the conservative merger group that includes Chief Cabinet Secretary Kajiyama and others who want to cut ties with the SDP. In league with the conservative merger is, naturally, Shinshinto and its party leader Ozawa. That explains why Mr. Ozawa's side is calling for summoning Mr. Kato as a witness, but the view held by many in Nagatacho is that this is not the work of Mr. Ozawa alone but a strategy of the conservative merger group against the coalition group.

The coalition group has solidified to take a stance of eliminating the summoning of Mr. Kato as a witness, but there are those inside the LDP who say he should comply with this call to appear as a witness. Many such people are veteran Diet members of the conservative merger group.

Consequently, this issue is taking on the aspect of a generation war. Although it is a theme that came out as an offshoot of the "jusen" issue, it has not led to the type of debate that should take place and instead is turning into a political dispute that involves realignment of the political arena.

For the conservative merger, there is uneasiness that the YKK (Policy Research Council Chairman Yamasaki, Secretary General Kato, and former Posts and Telecommunications Minister Koizumi) trio, which is of a comparatively young generation and characterized by firm solidarity, will seize the reigns of leadership in the political arena. It is likely that the idea of wanting to crush this force early on while it is still small is behind the desire to summon Mr. Kato as a witness.

Prime Minister Hashimoto Keeps Hidden

While a "new mainstream group structure" symbolized by the YKK trio has emerged inside the LDP, there is an old force, the so-called NHK (former Prime Minister Nakasone, Prime Minister Hashimoto, and Chief Cabinet Secretary Kajiyama). Although Prime Minister Hashimoto himself has not made his attitude too clear, he occasionally attends conservative merger meetings and both the N and K elements embrace H so that a schematic is formed which can be guided in certain directions. In considering the current LDP, the schematic of YKK vs NHK is symbolic.

One problem that lies therein is the H element—that is, Prime Minister Hashimoto—in that it is completely uncertain where he stands. When Mr. Kajiyama became chief cabinet secretary, we were told that there were one presiden and one prime minister each installed in the prime minister's official residence. There were quite a few in political circles who took the view that Mr.

Kajiyama, who "occupied" the official residence, had turned toward the conservative merger and took Mr. Hashimoto along with him, and that aspect certainly does exist. The direction in which Mr. Hashimoto, who is LDP president and prime minister, turns in the future is extremely critical.

Although outwardly Prime Minister Hashimoto naturally supports the Kato executives, there is an element of sitting on the fence because it is likely that in his heart, he is inclined toward the conservative coalition group. In particular, the relationship between Prime Minister Hashimoto and Mr. Kato has become more and more one of rivalry. The media frequently makes reference to the "Ichi-Ryu showdown." However, Prime Minister Hashimoto and Shinshinto leader Ozawa are not necessarily having confrontations but instead have an aspect of being connected. Viewed from the standpoint of the conservative merger, there are even cases of predictions of an "Ichi-Ryu partnership" or an "Ichi-Ryu combination" instead. The political arena is looking on with such fears that lets its imagination run wild. Outwardly, things are moving ahead with the "jusen Diet" but behind the scene is a succession of movements that relate to this kind of realignment of the political world.

When I look at Prime Minister Hashimoto's political resume, it is evident that he has made moves that are consistent with the conservative mainstream, but the thing that bothers me is that currently one cannot tell what he has in mind.

This is a cause for extreme anxiety because in this chaotic age when a top leader does not give any indication of his direction [the country] will go more and more adrift. At this time Prime Minister Hashimoto lacks a "scent." There are times when it is not clear what he is thinking in vital areas and at this rate, there is a considerably strong fear that the Hashimoto administration will go downhill.

Soka Gakkai Meets LDP Halfway

Another major theme is the question of whether there will be dissolution and general elections. While this is unclear at the present stage, former Deputy President Keizo Obuchi, for instance, has maintained all along that dissolution will occur in January of next year. That is to say, the current budget was formed under former Prime Minister Murayama, so there will be dissolution in January of next year upon Prime Minister Hashimoto formulating his own budget to imbue it with a distinct Hashimoto coloring.

Of course, a January dissolution would be the latest case in terms of current estimates of the timing, so there is probably no possibility of it being later than that. That is, the possibility of a dissolution this year is strong, and I think that there is the greatest likelihood of a dissolution in June and a general election in July. Even so, the timing of dissolution is a fluid thing. Consequently, every party and every candidate is scrambling to prepare for the election.

Including the results of the upper house Gifu by-election, the object of the greatest interest in the next general election is where Soka Gakkai votes will go. Since the end of last year and into the first part of this year the greatest theme that was cause of concern inside the LDP was what to do as a countermeasure for Soka Gakkai votes. That is why the bill to reform the religious corporation law was issued and they requested that Soka Gakkai Honorary Chairman Daisaku Ikeda be summoned as a witness, but since about the time the "jusen" issue came to the fore the atmosphere has gradually changed. The atmosphere of confrontation between the LDP and the Soka Gakkai has weakened by degrees. The reason for this is that the Soka Gakkai itself has begun to consider a policy modification. Signs of that are popping up at every turn. Despite the fact that contacts between the Soka Gakkai and Shinshinto executives are being made openly, the former relationship of unity has already disappeared and the Soka Gakkai seems to be beginning to distance itself from Shinshinto.

Meanwhile the Soka Gakkai is beginning to have contacts with the LDP and while it is an unknown as to what stance the Soka Gakkai will assume in the next general election, it is likely that it will not throw its full support behind Shinshinto candidates in all the proportional representation districts and electoral districts. Rather, in certain locales it will probably back LDP candidates and there will be autonomous voting as well. As might be expected, it will probably support Shinshinto in proportional representation districts but there is no doubt that eventually it is moving toward a flexible line. That will be favorable for the future of the Soka Gakkai and it has calculated that a full-fledged battle with the great LDP would damage the Soka Gakkai itself.

Still unknown is the question of apprehending the ultimate nature of political activities the old Komeito and Soka Gakkai. In the past the Soka Gakkai may not have been beyond unabashedly gathering votes and throwing party politics into confusion, but there has gradually been an increasing mood of withdrawing from the forefront of politics. That is to say the possibility has appeared of some sort of reconciliation between the LDP and the Soka Gakkai. Although both are still in the midst of a tug of war, there is not even a remote possibility of a development into an all-out confrontation or a mud-slinging contest. In any case, we must monitor their movements in the future.

"A New Party of Administrative Reform" Is Focus of Attention

Yet another element that is thought to significantly influence general election trends is the issue of new parties. In short, this concerns the work of creating a liberal new party that centers on the SDP and the Sakigake. The aim of previous Prime Minister Murayama's withdrawal early in the beginning of the year was naturally the desire to dedicate himself to being SDPJ [Social Democratic Party of Japan] chairman (he is currently SDP leader) and somehow acquire a new party. Mr. Takemura's resignation of his post as finance minister and devoting himself to being leader of the Sakigake was also for the same aim. Though this question of how far this Murayama-Takemura combination will progress in creating a new party has long been a focus of attention, it really seems not to have come to much even after the passage of three months since Murayama's withdrawal.

In Nagatacho there is a gradually widening view that neither of those two figures will capable of much and that there will likely never be a SDP-Sakigake new party.

That is to say, for them, they must somehow create a new party for if they do not it will mean their self-destruction. It is said that the target date for this is May, which means that things must somehow take shape by then.

In order to create a new party, a "flag" and a "face" are essential. The "flag" is a reference to where one establishes oneself in terms of policy objectives; just calling oneself liberal does not really drive the point home. The other element is "face," which this means who is going to be made the first party leader. At present, both of these elements remain undetermined. The general view in political circles on new party creation is pessimistic, but my view is that this is not necessarily so.

Having a direct bearing on this that relatively recently former Prime Minister Hosokawa, former Posts and Telecommunications minister Koizumi, and Economic Planning Agency head Tanaka inaugurated a study group. These three are leaders of the Shinshinto, LDP and Sakigake factions that promote administrative reform.

All of the parties have been talking up the necessity of administrative reform that includes reorganization of central government agencies and decentralization of power which is targeted for next year but none of them has been able to realize anything yet.

Although Mr. Tanaka is advocating moving from "bureaucratic politics to politics of the citizenry," attention is beginning to be focussed on this group, which stood in the position of the "people." Just about the time that people were beginning to think that Mr. Hosokawa would again embark on a new party movement, this study group was formed. In a manner of speaking, this is the "new party of administrative reform." Regardless of whether Mr. Hosokawa will become leader of the party, they have clearly raised the flag of administrative reform and have thus established the foundation for one.

The interesting thing about this three man combination is that behind Mr. Hosokawa stands the Shinshinto's Hata group; behind Mr. Koizumi is the YKK trio which is followed by a considerable number of leading young LDP members; and behind Mr. Tanaka is Mr. Takemura who is backed by Mr. Murayama. If these forces could ever be caused to converge in one place, it could easily become capable of controlling half of the political world. In short, in these three men rests the potential for the formation of a significant axis to counterbalance the so-called Nakasone-Kajiyama style conservative merger.

Could this study group lead to a neoconservative movement which incorporates liberal forces that could oppose a renewed rallying of the old-conservative forces, as it were? This will be anxiously focussed on, though admittedly it is not likely to happen in time for the next general election.

Shinshinto Breakup Could Spawn Multiple Parties

Further, another concern is the fact that Shinshinto is in such internal tumult that it will possibly split up before the general election. Even when one takes the one example of Diet policy such as the picketing strategy, there is a gradually deepening feeling of the possibility of a breakup. While Diet Policy Committee Head Mr. Takeo Nishioka maintains that, although the danger of a split admittedly exists, the party will somehow hold together if Shinshinto can defeat the LDP in the general election, I believe that even in that case there will be the potential for a split to occur. If that happens there is sufficient likelihood that that will also trigger a split in the LDP.

Therefore, it is possible that at a certain point after the general election Japanese politics will undergo a phenomenon of spawning multiple parties. Currently, within Shinshinto there are the Hata-Hosokawa group, the old-Komeito group, the Kano group, etc., and there are even several groups within the LDP. By these groups beginning to disperse, it could lead to a rearrangement of political parties of a so-called double realignment of the political arena. We are currently in the preparatory stages for such an event. Even if a temporary period of multiple parties were to occur after the general election, far from being a problem, it would mean a subsequent change to a movement toward settling down once again.

When this kind of movement and today's "jusen" issue or the AIDS medical mishap issue are linked for consideration, it becomes clear that the current bureaucracy-lead politics is inappropriate. Whether it is the "jusen" issue or AIDS medical mishap, the issues occurring today are almost without exception nothing other than the result of the blunders of the bureaucratic organization. Without orienting the bureaucratic organization toward the "citizenry," the "bureaucracy" tends to rush to protect itself and its interests and decides everything by the standards of "bureaucracy."

The public have already caught on to the fact that the bureaucratic organization does not function with its best interests at heart. This is an unprecedented crisis of the bureaucratic structure. Reflecting this kind of atmosphere, the movement of "new party of administrative reform" that establishes as its greatest "flag" the dismemberment of the bureaucratic organization will likely have considerable appeal to the people.

In that sense the "jusen" issue, the AIDS medical mishap issue, etc., are thought to be playing a major role as stimulants toward a realignment of the political arena.

Japan: Kasumigaseki Watch

962B0104A Tokyo USHIO in Japanese Jun 96 pp 352-353

[Unattributed article: "Kasumigaseki Watch"]

[FBIS Translated Excerpt]

Let Us See How Tactful Asian Affairs Bureau Director Kato Is in Resuming Japan-DPRK Negotiations

The Foreign Ministry's policy moves toward the DPRK [Democratic People's Republic of Korea] are getting animated. In mid-March, Northeast Asian Division Chief (Hiroo) Bessho made a secret contact in Beijing with a North Korean government official in charge of Japanese affairs. They conferred on conditions and the timing for resuming negotiations in order to normalize diplomatic relations. That was the first contact between government officials in charge since October last year.

Furthermore, in late March Mr. Shinya Nagai, acting director of the "Japan International Affairs Research Institute," an auxiliary organ of the same ministry, visited Pyongyang. He exchanged views on political and economic situations with functionaries of the "Disarmament and Peace Research Institute," which had invited him and which is under the direct control of the North Korean Foreign Ministry. Officially, the visit was for an interchange among researchers, but Mr. Nagai is the Foreign Ministry's career official temporarily transferred to the aforementioned research organization, and so his visit is regarded as a strategic step taken with an eye to resuming negotiations for the normalization of diplomatic relations.

Drawing up a series of scenarios and pulling wires behind the scenes is Asian Affairs Bureau Director Ryozo Kato called "the foremost brains of the Foreign Ministry." When he took up the present post in August last year, some raised a voice saying that he was "miscast" in view of his lack of experience in the Asian field, but the then top-level executives reportedly chose him anyway, reasoning that "the directorship of the Asian Affairs Bureau is the most important post, and so it is a matter of course to assign the most excellent person to this most important post."

Mr. Kato stayed still last year, saying that "I have many things to study," but since the beginning of this year, he has been poised to embark on "Kato diplomacy" in earnest, telling his associates that "now we are about to begin the real work." As for North Korea as well, he shows his keen interest by remarking that "the environment [for resuming negotiations] has been improving gradually." Officials within the Foreign Ministry are paying attention to him, saying that "let us see how tactful this big-shot director is."

Cabinet Legislation Bureau Director General Omori Under Concentrated Fire

Cabinet Legislation Bureau Director General Masasuke Omori is under concentrated fire, subjected to the criticisms that "he is so obstinate that he is in the way of the security policy" (attributed to leading members of the Liberal Democratic Party [LDP] and the Federation of Economic Organizations [Keidanren]) and that "he still has the Cold-War era perceptions" (attributed to leading members of the Foreign Ministry and the Defense Agency). The focal point is the collective self-defense right. Against the backdrop of the strains on the Korean peninsula and the tensions between China and Taiwan, the LDP and the Keidanren began moves to empower the Self-Defense Forces to provide rear support to the U.S. troops in case of emergency in the Far East. However, Director General Omori stubbornly refuses to give in to these moves, asserting: "The moves concern the question of the collective self-defense right which has thus far been banned. I say no, absolutely."

Moreover, with regard to the Acquisition and Cross-Servicing Agreement [ACSA] as well, he rejected all along a request by the Foreign Ministry and the Defense Agency that "it be made possible to furnish fuels and transportation to unilateral U.S. military exercises as well." A view is surfacing within the ruling camp that "he will be replaced in the next cabinet reshuffle," and it is becoming unclear how long Director General Omori will sustain his firm standing.

Plan To Pick Genuinely Agency-Rooted Vice Minister in Economic Planning Agency's Personnel Changes Is Firmed Up

A plan has firmed up to promote Shinpei Nukaya, the Economic Planning Agency's Coordination Bureau director (joined the agency in 1963) to the agency's next administrative vice minister. Succeeding him as Coordination Bureau director will be Planning Bureau Director Seiichi Toshida (1964). Some viewed Economic Planning Councilor Atsushi Yoshikawa (1962) as a strong candidate for the vice ministerial post, but he will retire together with Vice Minister Makoto Kobayashi (1961) who originally moved into this agency from the Ministry of International Trade and Industry [MITI].

The Finance Ministry and the MITI have a large bearing on changes in leading personnel of the Economic Planning Agency. There was the following intricate aspect when Mr. Kobayashi was promoted from councilor to vice minister: The promotion plan was once about to be cancelled, but the MITI used its strong influence, resulting in the realization of the plan. However, as to the expected personnel changes this year, the decision was already made at the outset to pick a "genuinely agency-rooted vice minister." In this context, the agency has picked Mr. Nukaya. In terms of seniority, Mr. Yoshikawa should be picked, but the former has been chosen on the ground that the agency "requires a little bit of rejuvenation" in order to coordinate the government office.

There is a strong chance that Social Policy Bureau Director Michisato Sakamoto (1964) will succeed Mr. Toshida as Planning Bureau director. Tsugio Ide (1967), member of the Bank of Japan Policy Committee, and Shoichi Kojima (1967), director of the Economic Research Institute, are among those listed as a possible successor to the post of Social Policy Bureau director.

MITI Racking Brains Over Dwindling Acceptance of Its Retiring Officials by Steel Industry

The MITI is racking its brains over the dwindling acceptance by the steel industry of its retiring officials. It has been decided to install Mr. Hiroshi Sugiyama, vice president of Sumitomo Metal Industries, Ltd. and former MITI administrative vice minister, as president of Electric Power Development Co., consequently drawing attention to who will be appointed by the MITI to Sumitomo Metal Industries to fill the vacated post. Mr. Kazuo Sugiyama, the current president of Electric Power Development, formerly worked as a vice minister of the MITI and took up the present post after serving as vice president of Nippon Steel Corp. Therefore, Managing Director Kamata is the only former MITI official now working with Nippon Steel.

Kawasaki Steel Corp. has not accepted any former MITI official since Mr. Shigeshi Koino, former MITI vice minister and vice president of the corporation, transferred to the Bank of Japan Policy Committee as its member. Kobe Steel, Ltd., which once held three former MITI officials—two former vice ministers Yugoro Komatsu and Shinji Fukugawa and Mr. Masumi Sato—now retains only Mr. Sato with Mr. Fukugawa having moved to Dentsu Soken [Research Institute of Telecom-Policies and Economics] as its president and with Mr. Komatsu having passed away this year.

Steel companies accepted many former MITI officials in the past, but they have now unanimously begun reducing their acceptance. Behind this move is the position that "we do not want to have retiring bureaucrats reassigned to us in the midst of restructuring" (attributed to a leading member of a steel company). Amid growing criticisms against bureaucrats of late, the reappointments of retiring government officials to high posts in the private sector become increasingly difficult, and so the reemployment issue of former officials is likely to cause great agony to the MITI in the future. [passage omitted]

Japan: Welfare Minister Naoto Kan Interviewed

962B0089A Tokyo SEIKAI SHUNJU in Japanese May 96 pp 12-17

[Interviewing article by Asao Yamaguchi: "Time Has Come To Fight for Open, Democratic Politics"]

[FBIS Translated Excerpt]

The Minister Was in Charge of a PT [Project Team] on AIDS [Acquired Immunodeficiency Syndrome] Medical Mishap; He Did Not Receive Any Specific Instructions From Prime Minister Hashimoto When He Became a Minister

[Yamaguchi] The Hashimoto administration is in a dire condition in many respects. But, when you were appointed to the post of the welfare minister, how did you feel about it?

[Kan] For seven to eight years after I was first elected, I was a member of the Committee on Social and Labor

Affairs. During that time, the minister was Tadashi Sonoda, and the issues were related to kidney dialysis and transplant. I thought the work was quite challenging and interesting, and so I accepted the appointment.

[Yamaguchi] I see.

[Kan] Honestly speaking, however, I was surprised. The reason is that one year prior to this, the new party Sakigake [Harbinger] decided to tackle the AIDS issue, creating a project team with me as a supervisor, and during the midst of our doing all kinds of things, the fighting began. As I was not thinking of the post of the welfare minister even if I were to be appointed as a cabinet member, I was a bit surprised.

[Yamaguchi] Prime Minister Hashimoto served as welfare minister for many years, and he is often referred to as the boss of the Health and Welfare Ministry. At the time of your taking office, did you receive any requests from him?

[Kan] I didn't receive any specific instructions. He told me in effect that he would trust me one hundred percent. In fact, before I became a member of the Diet, I once did an interview for a magazine with him on health care issues. Then, when Mr. Hashimoto was the finance minister, I asked him various questions. And, as I was in the Policy Affairs Research Council of the ruling coalition parties for the past several years, I had many occasions to see him. So, he didn't make any specific requests, but instead wished me the best.

The Coalition Made Clear the Difference Between the Government and the Ruling Party; Electing and Dismissing Public Officials Are the Invariable Rights of the Citizens

[Yamaguchi] Bureaucrats, including those at the Ministry of Finance [MOF], are being criticized at present. Looking at the bureaucratic organization from the outside, and seeing government officials from the inside, do you see any difference?

[Kan] As I was a member of an opposition party for many years, I used to perceive the government and the Liberal Democratic Party [LDP] as the same thing, as in the expression, the governing LDP. I didn't quite understand the difference, or the dividing line, between the government and the LDP. In fact, I regarded them as one unit at that time. But, since the formation of the Hosokawa cabinet and the coalition government, and as I became a member of the Sakigake, one of the ruling coalition parties, I began to realize that the government and the ruling party are not the same—the ruling party is a political party, and the government, simply stated, is a bureaucratic organization. Observing that some politicians attach themselves on top of this bureaucratic organization, I came to realize the difference in functions between the government and the ruling party, and learned about the specific functions and actions of bureaucrats. When the Murayama cabinet was formed, I served as chairman of the Policy Coordination Council of the three ruling parties, dealing with various issues that included those relating to the MOF and administrative reform, I was able to prepare myself beforehand. When I became a minister, what I wanted to say during my first inaugural speech was that a minister is, of course, a person in charge of the public office, but he is also a representative chosen by the public, albeit indirectly, to take control of the public office. I said this during the press interview. In addition, I told my staff members that the citizens have invariable rights to elect and dismiss public servants. This is stated in Article 15 of our Constitution. So, I pointed out this constitutional provision to my staff members, and asked them to carry out their duties with a thorough understanding of the fact that the citizens are never meant to be the subjects of administrative control, but in a sense they are in charge of public administration. I said this to them at the beginning. So, I believe they understand that I am a kind of person who thinks things in this way.

[Yamaguchi] That worked very well for you in many respects.

[Kan] I think so. I have been trying to act along this line ever since then.

Eliminate Worries Through Publicly Supported Nursing Care and Solve the Problem of Excessive Savings; Raising the Quality of Welfare Will Elevate the Overall Level of Vitality

[Yamaguchi] The Health and Welfare Ministry has been attracting attention in many ways. In this era of an aging society, it is also a government office of utmost importance to the citizens who are faced with such issues as nursing-care insurance, pension, and health care.

[Kan] Within our budget, excluding such expenditures relating to national bonds to repay debts, we are spending about one third of our discretionary money, that is, about a little over 14 billion yen. Adding medical expenditures, which are paid out from insurance premiums, and pension payments, which include installments and so on, the total figure comes to about 14 percent of our GNP. We are using the money for welfare in a broad sense. The range of our service is quite broad. Also, such an issue as publicly supported nursing care in this rapidly aging society is not simply an internal agenda for welfare. Rather, I regard it as a major factor in restructuring the whole, not only the entire welfare system but also, under certain circumstances, the financial structure and the nation's economic structure.

[Yamaguchi] Public finance in Japan is on the verge of collapse. I'm worried about Japan's future. Public servants examine the situation, but after all, presenting a vision is the role of politicians, I think.

[Kan] In fact, when I was speaking to my staff members, I also added some such forward looking comments. What I said in essence is that in talking about welfare, there is a view that spending too much money on welfare will rob vitality from the economy, like in the case of the "British disease," for example. But, I don't believe so. I believe there is a way of providing welfare that can generate vitality. For example, the average number of children [per family] is 1.48 at present. But, if we clearly set up such measures as maternity leaves and so on, the number should rise to about 2.1. When the number of children decreases too much, vitality of the society also evaporates. Problems associated with the aging society can be dealt with through publicly supported nursing care. But, as people worry about their old age, they try to build up their savings as much as possible to prepare for it. This creates a so-called imbalance between investments and savings, increasing the amount of surplus in trade and current balances. This in turn raises the value of yen, forcing companies to move their manufacturing plants overseas. I presented an argument like this. In a sense, therefore, if we can feel secure about our old age, we don't have to save excessively. We will be able to use that money more effectively while we are alive.

[Yamaguchi] I agree.

[Kan] The average amount of savings by those over 65 years old is about 23 million yen, and that by those less than 65 years old is about 17 million yen. There is a big difference. This distorted savings structure can be changed if we streamline our system relating mainly to such issues as publicly supported nursing care. Raising the quality of welfare will in turn generate vitality. I believe so, and we must do so.

AIDS Transmitted by Blood Products Are Being Dealt With Thoroughly Even After Settlement; Infuse Society With Vitality Through 'Structural Reform of the Welfare System'

[Yamaguchi] I see. By the way, regarding the issue of AIDS transmitted by blood products, although I hesitate to bring it up because it is such a gloomy topic, I'm wondering if you have any particular thoughts on this issue.

[Kan] I have met victims on several occasions, and this AIDS issue is a grave topic to discuss. I became a member of the Diet in 1980, and AIDS began to be diagnosed soon after that. I still wonder why we couldn't have done something [to solve the problem earlier]. Settlement has been reached, but we must deal properly with future victims. I also believe it necessary to carry out a comprehensive review of the entire system of administration of the pharmaceutical industry by investigating thoroughly why this incident occurred and who were responsible, both administratively and individually. Armed with such a thorough review, I would like to tackle this issue.

[Yamaguchi] As a minister, what kinds of aspirations do you have and what is the most important policy direction that you have?

[Kan] Another agenda is the issue of a publicly supported nursing care program, which we touched upon earlier. Various arguments have been advanced so far. But, basically with an aim to pursue such a program, I believe it necessary to conduct intensive and in-depth discussions from now on. Haste is not condoned, but the situation in Japan has a multitude of factors that do not permit us to move slowly. One basic factor is the rapidity of aging. Another is the issue of financial burdens and bankruptcy. So, if we don't have an outlook for the future, we may have to roll back our plans, including the new Gold Plan currently being implemented. Therefore, we must consider seriously about how to implement a publicly supported nursing care program as a future locomotive. The biggest issue, then, is that of structural reform of the welfare system. The word, "restructuring," sounds a bit backward-looking, and if I use the word, "reengineering," it sounds like the Ministry of International Trade and Industry. So, I call it in Japanese the "structural reform of the welfare system."

For example, the health care cost at present is 27 trillion yen, and the so-called welfare cost is 1 trillion yen. So, if we can change the mechanism within the limit of this total of 28 trillion yen, we may be able to create a system, including health care, that is far better in quality. Also, with the pension fund that amounts to 30 trillion yen, we can think of how to create a society that will provide a sense of security for people in old age. If we can think of such a framework, I believe we'll be able to achieve a great deal through reformatting and restructuring. Rather than simply adding a new system, we will create a new system through structural reform of the existing system. I would like to work on this during my tenure.

Administrative Stalemates Shall Be Resolved by the Diet; Information That Was Not Disclosed on the

Medical Mishap and the 'Jusen' [Housing Loan Companies] Problem

[Yamaguchi] Out of anxiety, some people say that if Mr. Kan resigns from the ministerial post, the Health and Welfare Ministry will lose all that it has gained, ending up with no changes. (Laughter)

[Kan] Such issues as government versus bureaucracy and the manner of political administration are problems not only at the Health and Welfare Ministry, but they also signify the stalemates within the administrative structure, including the "jusen" problem at the Ministry of Finance. We must resolve these structural stalemates one way or the other. This is not only my opinion but also reflected in public opinion. The Diet must deal squarely with these problems.

[Yamaguchi] I would like to change the topic to realignment of the political world. The new party Sakigake has lost the vitality it used to have, probably because Mr. Takemura has suffered many hardships. What is your outlook?

[Kan] The Sakigake was formed two and a half years ago, and it has provided concrete arguments and proposals. But, although it made a proposal to change all of the 92 special-status corporations in conjunction with administrative reform, it was not able to accomplish this thoroughly. So, its reputation suffered. Recently, however, some concrete results have begun to materialize. For example, the Sakigake's proposal to make public the proceedings of deliberative councils has been approved at a cabinet meeting, and the advisory council system for the prime minister has been submitted as a bill to the Diet currently in session.

[Yamaguchi] That's right.

[Kan] What I'm tackling with now is the issue of information disclosure. In the case of the "jusen" problem, successive director generals at the Banking Bureau have known it, but neither politicians nor the general public were informed about it—they were told that "this is the only way to deal with it (as a countermeasure)," and were expected to believe it. This is exactly the issue of government versus bureaucracy; it relates to the way of democratic politics the Sakigake has been calling for. As this issue has been taken up as a concrete agenda, I believe the time has come to fight again to uphold the Sakigake's basic policy line. However, this is an issue separate from how to fight in elections under the small constituency system. Placed between the LDP and the New Frontier Party [Shinshinto; NFP], I don't know how much the Sakigake will be able to expand itself.

[Yamaguchi] That's not easy.

[Kan] That's a cause for a headache. Internally, there are arguments for a tripartite coalition, and there are also study groups that have some broadly gathered members from both the LDP and the NFP. Looking at all these possibilities, the Sakigake should implement what it has been preaching, and I think it will find ways for realignment while taking some kinds of initiatives.

Opposition Against a Merger of the Sakigake and the Social Democratic Party [SD]]; The Murayama Administration That Resolved the Leftover Issues

[Yamaguchi] Opposition against the Social Democratic Party seems to be strong, doesn't it?

[Kan] Opposition is strong against a merger of political parties. People think it alright to dissolve a party and then to join either the NFP or the LDP. But they oppose the idea of joining together among themselves after being left out by the LDP and the NFP.

[Yamaguchi] I've been saying that it would be much quicker if they dissolved the SDP and joined the Sakigake. But they don't seem to like the idea.

[Kan] The party has a long history and tradition. The Sakigake itself has also played a historic role, but it has not been able to win public trust, yet.

[Yamaguchi] How do you perceive the difference between the Hosokawa administration and the Murayama-Hashimoto coalition government?

[Kan] The formation of the Hosokawa administration itself had a great significance. More than anything else, it signified the birth of a non-LDP administration upon the collapse of the LDP's 37-year old monopoly in politics. It was extremely significant politically, but a close look at it revealed no change from the Miyazawa cabinet. Permanent ministers remained the same, and as did the policy direction. Nothing changed at the administrative level. I think we should ponder upon what all this means. In this regard, the Murayama administration carried out all kinds of things. In terms of the contents, it did what only such an administration could do. Typical examples are the issue of Minamata disease and the law to protect the victims of atomic bombs. The administration solved these problems that had been left out during the years of confrontation between the LDP and the SDP, and it did so through legislation with accompanied budget. This way of thinking and doing things has been basically taken up by the Hashimoto cabinet. However, the current administration has been stuck in the middle of the "jusen" problem; it hasn't been able even to pass the budget. (Laughter)

I Face the Challenge, Knowing That I Have "Only One Life To Live"; I Entered the Political World After Seeing the Extent of Influence Ms. Fusae Ichikawa Exerted

[Yamaguchi] Now, what motivated you to enter the political world, and what is your political philosophy?

[Kan] Whenever I'm asked to name my motto, I always say that I have "only one life to live." But, this relates to my way of living, rather than my political philosophy. I like Shinsaku Takasugi (a royalist from the Choshu clan who fought for the Emperor and against the Shogunate [at the time of the Meiji Restoration]). He was good at escaping. He was quick to attack but was also quick to back off.

[Yamaguchi] He was a quick thinker, wasn't he?

[Kan] Yes, he was. During that turbulent period, he created shock troops, rather than a regular army. He attacked suddenly, and when he felt a danger, he withdrew his troops quickly. I like his way. (Laughter)

[Yamaguchi] Ms. Fusae Ichikawa influenced you a lot, didn't she?

[Kan] When I was in my late 20's, perhaps around 1949 [as published], I was in charge of her election campaign, and I met many people through this job. Ms. Ichikawa was quite a strong fighter.

[Yamaguchi] What do you mean by that?

[Kan] Politically speaking, Ms. Ichikawa was not a person to belong to a large political party. Although the people working on citizens' campaigns were a minority in the Diet, Ms. Ichikawa was well aware of the extent of her influence. She gathered 1.9 million votes, and Mr. Yukio Aoshima about 1.8 million votes. These two individuals together visited Mr. Doko, the then chairman of the Keidanren [Japan Federation of Economic Organizations], and asked him to "stop handling political contributions." They did this with 4 million voters behind them. The timing was perfect.

[Yamaguchi] That was toward the end of the Tanaka cabinet when people became aware of election campaigns financed by corporations.

[Kan] Whenever Ms. Ichikawa had that kind of support, she acted boldly. But she remained cool toward such an idea as creating a political party with her at the center, saying that she was not interested in such a thing at all. She knew exactly the timing as well as the extent and limitation of influence she and her colleagues could muster. She was quite a fighter, and was scary. (Laughter)

[Yamaguchi] You learned a lot from her.

[Kan] Yes, indeed. Until that time, election campaigns used to have some elements of a festival. And, after the election was over, I realized that it was difficult to truly understand the social and political influence of a member of the Diet during the election campaign. One of the reasons why I entered the political world is that after seeing how Ms. Ichikawa, for whom I and others campaigned to be elected, was able to exert her social and political influence in and outside the Diet, I realized how important elections are, and how significant it is to have a person elected as a Diet member in certain situations. This was my motive to enter the political world.

[Yamaguchi] I know you are extremely busy with a pile of difficult issues, and I sincerely thank you for your time today.

Japan: Prime Minister Hashimoto's Detachment From Kajiyama Reported

962B0107A Tokyo SHUKAN BUNSHUN in Japanese 6 Jun 96 pp 172-173

[Article by Junya Yano: "'Nagata-cho Inside Guide': Crushing Rival Party Chief's Conservative Alliance; Whispers Concerning Prime Minister Ryutaro Hashimoto's Detachment From Kajiyama]

[FBIS Translated Text] *A birthday party hosted by former Prime Minister Tsutomu Hata for New Frontier Party Chief Ichiro Ozawa and General Council Chairman Kozo Watanabe was held the night of 24 May. Mr. Ozawa called for intraparty unity, saying, "Let's stand firm for the sake of achieving the mission of the New Frontier Party, combining our strength." Yet, Mr. Ozawa's civility ended with that and he remained sullen after that.*

'Keeping a Distance' From New Party

In the back of the minds of the attendees loomed the shadow of Hajime Funada, former acting general council chairman who on the 23d had virtually been "dismissed."

The participants said coldly, "Things like birthday greetings are for pacifying kids.... The chances of relations between those two being restored is no more than 0.001 percent. Ozawa and Hata are both so transparent."

The goal was a "reconciliation," but the outcome was that it ended in failure.

Acting as a spokesman for the discontent swirling within the party, Mr. Funada told Mr. Ozawa, "I don't understand the decision process.... It's hard to state one's views within the party. The atmosphere is gloomy.... Party accounts are not transparent."

Yet, the New Frontier Party has lined up nearly all its general election candidates, so that moves are hard to make. Even Mr. Hata and others who had been expected to play a role in checking Mr. Ozawa were saying indecisively, "We'll be criticized for taking a clear-cut position." So, Mr. Hata, Mr. Morihiro Hosokawa, and others are said currently to be "keeping their distance" from moves for a Hatoyama-Funada party.

Under the single-seat constituency system, the two major parties will face a pincer attack, will be electing a single person, and will have a handicap in party support funds. The road ahead for a new party would not be easy.

For that reason Mr. Funada was vacillating about raising a new party banner before the Diet dissolution, and while it is being called the "Hatoyama new party," he made the statement that he wants it called the "Hatoyama-Funada new party."

Welfare Minister Naoto Kan also indicated his intent to join the Hatoyama-Funada new party, saying, "There is a possibility of a political realignment moving forward before a general election. If it happens, I will act with them."

Concerning this trio of the Hatoyama-Funada new party plus Kan, there are people commenting that "They can't do anything with so few.... Their policies are vague.... It's nothing but a play for the grandstands." Yet, the chances are high that it might have a powerful appeal for a public fed up with politics. If they gain momentum, it could cause a chain reaction and could not but accelerate multiple restructurings in political circles.

One New Frontier Party Diet member says, "The dismissal of Mr. Funada had the aim of cutting off his succession in the forces preparing to secede, but it won't work."

Even should a Hatoyama-Funada new party put up its minority banner, once the new party flag was up, a second force of seceders would charge in just before the election.

The majority view is that "It would not be too late even after one could be sure whether a new-party boom had really started." So, there are many New Frontier Party Diet members who think: "Since there is still so much time before dissolution, if they secede now they'll be hit by retaliatory measures as rival candidates. To avoid that, the forces preparing for secession will remain in the New Frontier Party looking like good fellows. Just before the elections they're sure to jump."

Both the "reconciliation" effort at the birthday party and the "dismissal" of Mr. Funada are no more than proof that a sense of crisis is gathering over the New Frontier Party. Two things lie in the background for that.

The first that can be mentioned is the "crumbling of the conservative-conservative coalition" and a "detachment from Kajiyama."

A Liberal Democratic Party (LDP) leader close to Chief Cabinet Secretary Seiroku Kajiyama says: "Mr. Ozawa has come to feel an aversion for the New Frontier Party and was hopeful about a conservative-conservative coalition being put together for the emergency; but since Prime Minister Ryutaro Hashimoto set forth his adherence to the LDP-SDP [Social Democratic Party]-Sakigake course the conservative-conservative coalition is at an impasse for now. So, Mr. Ozawa sees the next election inevitably being fought as a showdown between the LDP and New Frontier Party.

"Chief Cabinet Secretary Kajiyama holds Ozawa-Hashimoto cooperation to be a gimmick and made Mr. Ozawa embrace 'the fantasy of an emergency conservative-conservative coalition.' It was a device aimed at inducing the internal breakup of the New Frontier Party."

Prime Minister Hashimoto's 'Go-It-Alone Proclamation'

However, an official of the LDP executive board laughs scornfully at this: "To say that Mr. Kajiyama did the Ozawa-Hashimoto collaboration with the intent to cause a New Frontier Party breakup is giving him too much credit. Mr. Kajiyama is annoyed about being spoken of in that way. This cabinet is based on a close balance between the LDP-SDP-Sakigake regime course of Secretary General Kato and others and a conservative-conservative oriented course by Chief Cabinet Secretary Kajiyama. After all, Prime Minister Hashimoto had determined to go with the LDP-SDP-Sakigake regime, casting his lot with the Kato executive board."

And, he goes on to say: "His 'not reshuffling the cabinet' and 'putting off the Diet dissolution' show Prime Minister Hashimoto's 'detachment from Kajiyama.' As proof of that, Prime Minister Hashimoto told Secretary General Kato that Mr. Kajiyama strongly suggested reshuffling the cabinet before passing the budget; but I rejected that, saying I would not reshuffle the cabinet."

"When the cabinet first formed Prime Minister Hashimoto gave his all for Mr. Kajiyama, but now he strongly opposes the conservative-conservative [idea] and has begun distancing himself from Mr. Kajiyama.

Also, at the prime minister's press conference on 10 May in answer to a question on reshuffling the cabinet, Prime Minister Hashimoto denied such talk, asking Chief Cabinet Secretary Kajiyama, 'Is there any such discussion?' That was a 'go-it-alone declaration' by a Prime Minister Hashimoto who has won his political battle with Mr. Kajiyama."

New Frontier Party Insincere in Opposition

Even if we substantially discount this as self praise, Prime Minister Hashimoto and Former Prime Minister Noboru Takeshita's rejecting a conservative-conservative alliance with Mr. Ozawa was a big thing. There is no doubt that this became the impetus that made Mr. Ozawa create the setup for party-formation and make a U-turn to confront the Hashimoto cabinet.

The second thing is "detachment from the Soka Gakkai." An LDP leader says, "We had a request from the Soka Gakkai, which is a support group for the New Frontier Party, saying 'With the party in a deteriorating condition, we cannot support it,' and it began groping for 'intraparty reconciliation.' Yet, the irony is that what the Soka Gakkai is doing is, instead, spurring a breakup."

A person close to Mr. Ozawa is of the same opinion: "In the Kurashiki mayoral election, New Frontier Party Diet member Mutsuki Kato supported a candidate in the anti-Hashimoto camp, telling his old rival, Prime Minister Hashimoto, 'I have to go up against you.' In the opinion polls, we had an advantage until just before the election, but the outcome was a narrow defeat. The reason for the defeat was that, at the LDP's behest, the Soka Gakkai backed the Hashimoto-line candidate.

"In the next election, Mr. Kato will be at risk. As it is a drawback to agitate the Soka Gakkai, he will not openly complain. It seems that Mr. Kato is inwardly irate that 'I was stabbed in the back.'

"'LDP cooperation with the Soka Gakkai' has raised deep uncertainties about the New Frontier Party's future. No one's heart is in it. For the Soka Gakkai to speak so much of New Frontier Party solidarity, and then go for LDP-Soka Gakkai cooperation...it's a heartless thing!"

A one-time Komei Party Diet member half admits saying that "The Soka Gakkai certainly seems to have begun taking out insurance." And then he rebels, saying: "They're passing the buck. It turned out that way because at the time of President Einosuke Akiya's summons as a reference person the New Frontier Party gave lip service to opposing it but just sat back and watched." After all, that is the cost of relying too much on a religious body.

Where are the banners of "non-LDP party" and "reform" of the New Frontier Party's first days after its formation? Responsibility for the internecine fights that ruined the New Frontier Party is shared equally by both Mr. Ozawa and the anti-Ozawa group.

The LDP takes the easy-going attitude that "the enemy's breakup is advantageous for our party," but that is just because of its reading that in the next general elections the LDP can win a majority of Diet seats or something close to that. If the socialist party or Sakigake turn to a new party, the base [for that] would be greatly shaken.

If the possibility emerges of a new party based on the Hatoyama, Funada, Suga trio making a great surge, it is obvious that the LDP would at that moment begin to view it as the enemy. Over the past three years the public has fallen into an utter distrust of the political parties. If the triple signboard of Hatoyama, Funada and Suga becomes arranged, it is possible that this will mean "Hang in there, new party!" and "Drop dead, LDP!"

North Korea

DPRK: KEDO Site Survey Team Departs Pyongyang 30 Jul

SK3007133696 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Jul 96

[FBIS Translated Text] A sixth site survey team of the U.S.- initiated Korean Peninsula Energy Development Organization [KEDO] for the construction of light-water reactors, which is in accordance with the implementation of the DPRK-U.S. agreed framework, departed Pyongyang by plane on 30 July.

DPRK: Seoul Radio Reports Flood Damage in South Korea

SK3107011896 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 30 Jul 96

[FBIS Translated Text] According to a radio report from Seoul, due to the three days of rainfall from 26 to 28 July, approximately 70 people were killed or missing in Kyonggi Province and Kangwon Province of South Korea. In 11 cities and counties such as Yonchon, Paju, Chorwon, and Hwachon, rivers and streams were flooded and houses were washed away. As a result, 21,000 people have become homeless, 3,400 chongbo [one chongbo equals 2.451 acres] of arable land have been submerged, and 16 roads and 96 embankments have been destroyed. At present, traffic and communications in these areas are completely paralyzed. No electricity and water is being supplied, and people are suffering difficulties.

On the other hand, due to the heavy rainfall on 27 July, landslides occurred in many areas, and consequently, heavy casualities have been reported in many units of the puppet army. In South Korea's Chorwon and Hwachon in Kangwon Province and Yangju in Kyonggi Province, hundreds of soldiers were killed, wounded, or missing from the landslides.

In the area where the 6th and 7th divisions of the puppet army are located, two soldiers were reported to have died after being swept away by swift currents.

DPRK Daily: 'Threat From the North' ROK Slogan for Invasion

SK3107102096 Pyongyang KCNA in English 1017 GMT 31 Jul 96

["'Threat From North', Reversed Logic and Slogan for Invading North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — NODONG SINMUN today in a signed article brands the South Korean puppets' hackneyed allegation about the "threat from the North" as a reversed logic and a slogan for invading the North.

It is the U.S. bellicose forces and the South Korean puppets who seek a war on the Korean peninsula, the paper says, and continues:

The large-scale war exercises against the North numbered 8 in 1992, a year of the military dictatorship of the "Sixth Republic" in South Korea but they increased systematically under the Kim Yong-sam group, jumping to 37 last year, and are likely to increase unprecedentedly this year.

The anti-DPRK confrontation and war hysteria of the Kim Yong-sam group have become all the more adventurous.

The traitor Kim Yong-sam told that the solution to the inter- Korean issue is "possible only by means of military strength" and went the length of prattling that the South Koreans should regard the North as the "enemy", not as the same nation.

The escalating arms buildup by the puppets clearly indicates that they are attempting to ignite a war against the North. The warmaniacs are giving spurs to arms buildup and modernisation of the puppet army.

They destroyed and violated the Armistice Agreement, turned the southern portion of the Demilitarized Zone along the Military Demarcation Line into a heavily armed zone, a starting position for attacking the North and are now raising such an adventurous military racket. This proves that they have intended to unleash a real war for invading the North and prepared it in full swing.

Through the advertizement of the "threat from the North," they are trying to justify their new war provocation manoeuvres and realize their attempt to ignite a war against the North with such false propaganda.

They must stop the provocative war manoeuvres against the North at once, or they will find themselves burnt in the flames set by them.

DPRK Health Ministry Denies 'False' Rumor About Cholera Outbreak

SK3107103696 Pyongyang KCNA in English 1032 GMT 31 Jul 96

["Cholera Danger, a Fiction" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The spokesman of the DPRK Ministry of Public Health issued a statement today denouncing the South Korean rulers for spreading a false rumour about danger of cholera from the North.

This is branded as a deliberate criminal act to aggravate the inter-Korean relations.

The statement says:

The South Korean rulers are these days making much ado, alleging that "the number of cholera cases is on a rapid increase, claiming many lives" in various parts of the DPRK.

They argue that "it is very likely that cholera will spread southward from the North." They defined five cities and counties of South Korea including Pyongtaek, Hwasong and Kimpo, Kyonggi Province, as "intensive control areas against spread of cholera from the North," set up "information centres for diarrhea cases" on July 19 and took so-called "preventive measures."

This is a groundless anti-DPRK smear campaign.

In the DPRK, sanitary and anti-epidemic measures are taken in appropriate time and season for the health and longevity of the people under the popular health policy of the Workers' Party of Korea and the DPRK Government.

This year, the people in the DPRK have been inoculated twice against cholera free of charge, while the plague is rampant in South Korea and other countries. And regular medical service is given to eliminate diseases in the initial stage. That is why there is no cholera case and diseases are cured in time in the DPRK.

Today South Korea is the most terrible kingdom of diseases.

According to official statistics, there are hundreds of thousands of TB [tuberculosis] cases in South Korea, which is also world's number one in the death rate caused by hepatitis.

Moreover, AIDS, the deadly disease of the 20th century, is widespread in South Korea, causing great public fear.

This is an inevitable outcome of the anti-social health policy of the South Korean rulers and a natural product of colonial South Korean society, where money is more valued than humanity.

Their false propaganda is a very clumsy trick to conceal the deplorable health situation of South Korea and give the impression that they are interested in the protection of human lives.

The DPRK Ministry of Public Health bitterly denounces the South Korean puppets' smear campaign as a sinister political provocation to slander and hurt the best man-centred socialist system of Korean style and as a deliberate criminal act to aggravate the inter-Korean relations.

Their false propaganda will convince nobody and will be rejected by the international community.

The South Korean rulers must discard the habit of slandering others.

If they continue to resort to the anti-DPRK campaign despite our warning, they will be further isolated and rejected at home and abroad and go to their doom at an early date.

DPRK: ROK Denounced for Sentencing Students Who Visited North

SK3107052596 Pyongyang KCNA in English 0436 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The South Korean "Civilian" fascist clique dismissed appeals by Chong Min-chu and Yi Hye-chong, who visited the North last year, dispatched by the South Korean Federation of University Student Councils under the South headquarters of the National Alliance of Youth and Students for the Country' Reunification (Pomchonghaknyon), and sentenced the students to prison terms of three years on Tuesday by invoking the notorious National Security Law", according to a radio report from Seoul. [quotation marks as received]

The fascist clique charged that the girls visited the North without the "authorities' permission" and favored the confederation formula.

The heroic daughters of the nation, who are called "birds of hope for reunification" for their righteous activities for national reunification, were arrested by the fascist clique when they crossed the demarcation line at Panmunjom nearly one year ago.

DPRK Daily Decries Kim Yong-sam 'Fascist Crackdown' on Students

SK3107100996 Pyongyang KCNA in English 1006 GMT 31 Jul 96

["Kim Yong-sam Group Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — NODONG SINMUN today comes out with a signed commentary accusing the Kim Yong-sam group of its fascist crackdown upon patriotic students of South Korea.

On July 27, the Kim Yong-sam fascist clique detained three students and four servicemen on charges of forming an organisation called "Sangji University Activist" in 1994 and conducting "leftist ideological activities" among their juniors and freshmen of the university with video tapes containing the "biography of President Kim Il-song".

Earlier, on July 26, the fascist police stormed into the office of the General Student Council of Kyongwon University to walk away twelve students and confiscate demonstration tools.

Branding this as a fascist atrocity which can be committed only by the Kim Yong-sam group of fascist hooligans, the analyst of the paper says:

It is only too natural that South Korean students ardently respect the great leader President Kim Il-song, the eternal sun and the father of the nation, who devoted all his life to the liberation of the country, the freedom and emancipation of the people and to national reunification and who extended a compatriotic loving hand to the South Korean people, not forgetting them even a moment, and that they follow and introduce his immortal revolutionary history as it is. Accordingly, their deed can never be incriminated in any case.

The Kim Yong-sam clique must stop the fascist crackdown upon patriotic-minded students at once, unconditionally and immediately release imprisoned patriotic students and other people and step down without delay as demanded by the people.

DPRK: South Koreans Criticize Japan's Fund for 'Comfort Women'

SK3107102196 Pyongyang KCNA in English 1012 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The deceptive "national fund" set up by the Japanese authorities has come under fire in South Korea.

The Japanese Government in August last year formed a civilian organization called "Asian Peace National Fund for Women" allegedly to settle the issue of the "comfort women for the Japanese Army".

The Measure Council for the Problem of Volunteers' Corps in South Korea in a press conference on July 20 declared, "We will never accept the decision made by the Japanese authorities to pay temporary money (compensation money) through the fund."

In January this year, people of various strata of South Korea including former "comfort women" thronged to the Japanese Embassy in Seoul for the 200th time, urging the Japanese Government to make an open apology and compensation for the past crimes of the Japanese imperialists.

12 women organizations, including the Measure Council for the Problem of Volunteers' Corps and the Federation of Women Organizations in South Korea, in a statement branded the decision as a deceptive one for covering up the essence of the "comfort women" issue and avoiding the responsibility, strongly demanding that the Japanese Government make an open apology and pay compensation from the legal point of view.

And, former "comfort women" of South Korea in a joint press conference held in Tokyo denounced the Japanese Government for seeking avoidance of the state responsibility for the ruthless abuses of human rights and settling the issue of compensation with money collected from civilians.

An article, contributed to the South Korean newspaper HANGYORE SINMUN under the title "50 Years Since Liberation, 'Comfort Women for the Japanese Army' Issue Remains Unsettled Still Now", said, "The stand of the Kim Yong-sam 'government' not to demand of the Japanese Government a compensation to the victims favours the Japanese Government, which has been avoiding the compensation", noting the South Korean Government can never flee from its responsibility.

DPRK: PLA Founding Anniversary Celebrated at KPA Unit 29 Jul

SK3107115196 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 29 Jul 96

[FBIS Translated Text] On 29 July, on the occasion of the 69th anniversary of the founding of the People's Liberation Army [PLA] of the PRC, a soldiers' rally was held at a unit of the Korean People's Army [KPA] to which Kim Yun-sin belongs.

At the rally location, where the flags of the two countries were hoisted, slogans reading "We warmly congratulate the 69th anniversary of the founding of the PLA of the PRC" and "Hurrah to the traditional friendship and unity between the two peoples and armies of the DPRK and the PRC" were put up.

Qiao Zonghuai, PRC ambassador to our country, and (Yu Jinhua), military attache at the PRC Embassy, were invited to the rally where the unit's soldiers were participating.

Speeches were exchanged at the rally.

After the rally, the participants saw a Chinese art film.

DPRK: PRC Nuclear Test, Statement Suspending More Tests Noted

SK3107014396 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Jul 96

[FBIS Translated Text] According to a report of XINHUA News Agency, the PRC successfully carried out a nuclear test on 29 July.

Regarding this, in a statement announced on 29 July, the PRC Government pointed out that China has courteously declared [chongjunghi sonpo handago] that beginning 30 July 1996, it will suspend nuclear tests for the time being [tangbungan chungji handanun].

The statement noted that such an important decision made by the PRC is a practical action intended not only to respond to the demand of non-nuclear nations, but also to pursue nuclear disarmament. The statement emphasized that the PRC is implementing the independent peace-loving foreign policy, and has been consistently calling for the overall banning of nuclear weapons and for their complete destruction.

The statement appealed to many world nations, in particular, the nuclear-states, that with a view to permanently eliminating the danger of nuclear war threatening mankind and achieving durable peace and universal security throughout the world:

1. The great nuclear powers should renounce the policy of nuclear threats. Nations possessing enormous nuclear arsenals should continually drastically reduce nuclear weapons.

2. All nuclear states should have an obligation not to use nuclear weapons before others under any circumstance and at any time. They should unconditionally officially pledge that they will not use nuclear weapons against non-nuclear nations and non-nuclear areas nor threaten them. They should promptly sign the international-law-oriented document regarding the pledge.

3. The nations that deployed nuclear weapons in foreign countries should withdraw all of them to their own countries. All nuclear states should officially pledge to support the call for establishing nuclear-free zones, and should respect the position of nuclear-free zones, and should bear corresponding duties.

4. Various nations should not develop and deploy space weaponry systems and missile defense systems which destroy strategic security and stability.

5. Through talks, various nations should conclude an international treaty on the comprehensive banning and thorough destruction of nuclear weapons.

The statement pointed out that the PRC Government and people are prepared to make efforts to achieve these lofty goals, together with the people of various nations of the world.

DPRK: Delegation From PRC Jilin's Yuwen Middle School Welcomed

SK3107053796 Pyongyang KCNA in English 0442 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — A meeting welcoming a delegation of Jilin Yuwen Middle School of China was held at Changdok School in Mangyongdae district, Pyongyang, on July 30.

The two are schools in which the great leader President Kim Il- song studied and conducted revolutionary activities.

The members of the delegation laid bunches of flowers and made bows before the statue of President Kim Il-song at Changdok School.

Principal of Changdok School Kang Chun-ho said in his speech at the meeting that Yuwen Middle School of China has trained a large number of reliable reserves of the country oy intensifying education in collectivism, socialism and patriotism under the leadership of the Communist Party of China headed by respected Comrade Jiang Zemin.

The teachers and students of Yuwen Middle School have kept the enduring exploits of Comrade Kim Il-song shining generation after generation, the speaker said.

Pointing out that the Korea-China friendship forged by the great leader of the Korean people Comrade Kim Il-song with the great leader of the Chinese people Comrade Mao Zedong and Comrade Zhou Enlai has been continuously devloped and strengthened, the speaker said:

What Comrade Kim Il-song intended in his lifetime is to continue to develop eorea-China friendship on good terms.

Head of the delegation Chen Zhiyan, principal of Jilin Uwen Middle School of China, aid in her speech that the two schools have maintained sister relations.

She noted that they built a "memorial reading room of Comrade Kim Il-song" and his statue at their school and have ireserved his revolutionary relics well.

She heartily congratulated Changdok school on its success made in training many reserves who would contribute to the socialist construction under the leadership of the Workers' Party of Korea led by the great leader Comrade Kim Chong-il.

The speaker prayed for the immortality of President Kim Il-song and expressed the conviction that Sino-Korean friendship would be everlasting.

DPRK: Japanese Premier's Visit to Shrine Denounced

SK3107052796 Pyongyang KCNA in English 0446 GMT 31 Jul 96

[FBIS Transcribed T?xt] Pyongyang, July 31 (KCNA) — Japanese Prime Minister Ryutaro Hashimoto visited the "Yasukuni Shrine" in Tokyo on July 29, according to a news report.

He was the first prime minister to pay an official visit to the shrine in Japan in latest eleven years. He, afraid of a great political censure to be caused by his visit externally, went there in the "private capacity" before August 15, the visit day.

50 years since the defeat of Japanese imperialism, the Japanese government authority visited the "Yasukuni Shrine" and "consoled" the departed soul of militarism. This is an unbearable insult to the people of Korea and other countries in Asia.

Though he described his visit as one in the "private capacity" in "spare time," the vicious political attempt of the Japanese reactionaries to realize the wild ambition for invasion by restoring the departed spirit of militarism can never be concealed.

The peoples of Korea and other Asian countries are sharply watching the every movement of the Japanese bellicose forces trying to realize their old dream of the "Greater East Asia Coprosperity Sphere", far from properly liquidating the past.

The Japanese authorities must stop acting rashly and mind their p's and q's, straightly seeing the trend of the time.

DPRK Commentary Denounces Revival of Japan's Militarism

SK3107075496 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 30 Jul 96

[Commentary by Kim Ho-sam: "An Act Designed to Revive Militaristic Ghost"]

[FBIS Translated Text] According to a report, Japanese Prime Minister Hashimoto visited the Yasukuni Shrine in Tokyo on 29 July to pay reverence, on the threshold of 15 August.

When a reporter asked him in what capacity he visited the shrine, Hashimoto said: "In the past I wrote on the visitors' list the title I held at the time I visited the shrine, and today I will write in it my title as prime minister, because I am now the prime minister."

There have been a series of attempts to revive militarism in a bid to cover up the crimes committed by the Japanese imperialists during World War II. One such attempt is precisely the Japanese reactionaries' frequent visits to the Yasukuni Shrine to pay reverence.

In the meantime, of the successive Japanese rulers, until now there has been no Japanese ruler like Hashimoto who openly visited the shrine, in which the remains of top-grade war criminals are preserved, in the capacity of the prime minister of the Japanese Government.

This tells us that Hashimoto is an out-and-out militarist. In fact, Hashimoto has visited the Yasukuni Shrine each year on 15 August, the day the World War II ended. On last 15 August, when he was minister of international trade and industry under the Murayama Cabinet, Hashimoto visited the shrine in the capacity of chairman of the Japan's Association of Bereaved Families. Accordingly, Hashimoto's visit to the shrine at this time is not an accidental one.

Frankly speaking, Hashimoto is swayed by a wrong imperialist view on history to revive militaristic ideology in Japan, and he is taking the initiative in spreading the militaristic ideology among the Japanese people.

We cannot help but pay serious attention to this, because even today, when 50 years have passed since Japan was defeated in the war, Hashimoto still openly clamors about his visit to the shrine in the capacity of Japanese prime minister.

Today, Japanese reactionaries are runing wild more indiscreetly to realize their wild ambition for the Greater East Asia Co- Prosperity Sphere. A specific manifestation of this is that Japanese reactionaries are beautifying and embellishing among the Japanese people the crimes the Japanese imperialists committed against the Asian people in the past and that they are now inculcating a militaristic ideology in them. The Japanese reactionaries are also attempting to depict the Japanese imperialists' aggression against Korea, China, Philippines, and Indonesia, perpetrated to realize their wild ambition for the Greater East Asia Co-Prosperity Sphere, and their murderous and antipopular acts committed there as the so- called liberation of these countries, beautifying and embellishing these crimes.

On 28 July, the Institute for Liberalist Ideology of Japan demanded that the portion describing the issue of comfort women for the Japanese Army during World War II be deleted from history books which will be used in Japanese middle schools, beginning next spring. At the same time, the institute sent to the Japanese education minister a letter asking him to instruct all schools to delete that portion from their history books.

Besides these examples, there are also many other examples, including the absurd remarks by former minister of justice (Sheiichiken) Okuno, who was also a past director general of the National Land Management Agency. (Sheiichiken) Okuno, referring to the war of aggression triggered by the Japanese imperialists in the past [World War II], babbled that at that time Japan had no intention for aggression and that, therefore, Japan was not an aggressor.

It is by no means a secret that such shameless words and deeds by the rightist reactionary forces of Japan have been perpetrated with the Japanese authorities' connivance and support.

Hashimoto's current visit to the shrine to meet the ghosts of militarism and pay respects to them is also an act perpetrated with the Japanese authorities' connivance and support.

The issue is why the person in charge of the Japanese Government acts like this. It is intended to inspire public opinion for overseas expansion among the Japanese people, and, thus, to realize the ambition for overseas aggression.

These days, the Japanese authorities are encouraging schools at all levels to hoist the flag of old Japanese imperialism [as heard], and they have made it as an institutionalized rule for students to sing the national anthem.

All of this tells us that the noxious snake of militarism is growing rapidly, spreading poison, in Japan today. However, the Japanese reactionaries' schemes to realize Japan's militarization by calling up the ghost of Tojo [a Japanese prime minister during World War II] and to achieve their wild ambition for overseas expansion cannot be realized.

Today, the broad democratic forces and people of Japan are resolutely opposing such a policy of the Japanese authorities, which runs counter to the trend of the times, and demanding that the Japanese authorities advance along the road of peace.

Japan's advance along the road of militarization is precisely the road of self-ruin. Japan should advance along the road of peace and democracy, not the road of militarization. This is good for Japan's prosperity and development.

DPRK: Delegation From Fukuoka Prefecture in Japan Arrives

SK3007213696 Pyongyang KCNA in English 1512 GMT 30 Jul 96

[FBIS Transcribed Text] Pyongyang, July 30 (KCNA) — A delegation of Fukuoka Prefectural Assemblymen from different political parties of Japan arrived here today.

DPRK: Kim Chong-il Receives Gift From Pakistani Prime Minister

SK3107102496 Pyongyang KCNA in English 1018 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Pakistani Prime Minister Benazir Bhutto.

Pakistani Ambassador to Korea Rehmdil Bhatti [spelling of name as received] handed the gift to an official concerned today.

DPRK: Yang Hyong-sop Receives Departing Russian Ambassador

SK3007213896 Pyongyang KCNA in English 1511 GMT 30 Jul 96

[FBIS Transcribed Text] Pyongyang, July 30 (KCNA) — Yang Hyong- sop, chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea, met and had a talk with Russian Ambassador to Korea Yuriy Fadeyev, who paid a farewell call on him, at the Mansudae Assembly Hall today.

DPRK Meeting Marks Anniversary of Benin's Independence Day

SK3107050696 Pyongyang KCNA in English 0429 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — A meeting was sponsored here Tuesday by the Korea-Benin Friendship Association to mark the 36th independence day of Benin.

A speech was made at the meeting, followed by an adoption of a message of greetings to the Beninese president.

DPRK: Japanese Visitors Visit Kim Il-song Statue on Mansu Hill

SK3107044296 Pyongyang KCNA in English 0416 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — A delegation of Fukuoka prefectural assemblymen from different parties of Japan called at the statue of the great leader President Kim Il- song on Mansu Hill in Pyongyang Tuesday.

The assemblymen laid bouquets of flowers before the statue and made bows.

DPRK: Kim Il-song Military Leadership in Korean War Praised

SK3007151396 Pyongyang KCNA in English 1508 GMT 30 Jul 96

["President Kim Il-song, Ever-Victorious, Iron-Willed Brilliant Commander" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 30 (KCNA) — 43 years have passed since the firecrackers fizzled to celebrate the victory in the Korean war.

On the occasion of the noteworthy second liberation day in the history of the nation all the Korean people recall with deep emotion the great leader President Kim Il-song's immortal exploits in commanding the Korean People's Army as well as the significant celebrations of the 40th anniversary of the victory in the war held in the presence of the president in Pyongyang three years ago.

More than 1,567,000 enemy troops including some 405,000 U.S. imperialist aggressors were killed or taken prisoners and some 12,200 planes, about 560 warships of various kinds, some 3,200 tanks and armoured cars, some 13,000 trucks, 7,695 guns of different kinds and other combat and technical equipment and military supplies captured and destroyed. These figures show part of the miserable defeat of the U.S. imperialists in the three-year-long Korean war.

The matchless grit and outstanding commanding art of President Kim Il-song, the ever-victorious, iron-willed brilliant commander, were demonstrated once again in the whole course of the war ignited by the U.S. imperialists on June 25, 1950.

The United States hurled into the war three services armed with latest equipment, troops from 15 satellites of the U.S., the puppet army of South Korea and the

Japanese militarist aggression forces, more than two million all told, and a huge amount of latest combat and technical equipment as well as chemical and germ weapons. And in the war it resorted to the most barbarous methods and means ever known in the history of humankind.

It sustained a loss two or three times as much as in the Pacific War and suffered a miserable defeat, the first of its kind in the blood-stained history of its overseas aggression spanning more than one hundred years.

Former U.S. President Dwight D. Eisenhower, who claimed to be a "world-famous general", commanders of the "U.N. Command" MacArthur, Ridgway and Clark, Walker, Van Fleet, Dean and other military experts suffered bitter fiascos.

The U.S. imperialists tried to conquer at one sweep the northern half of Korea a few years after its liberation from the Japanese imperialist colonial rule. They were completely mistaken in it.

The DPRK's victory in the war reversed the established usage and predicts of the bourgeois military experts.

The war was led to a victory by President Kim Il-song, a legendary hero who embarked upon the road of the revolution with a lofty intention to liberate the country in his teens, put forward chuche-based programme of army building and defeated the one million strong army of the Japanese imperialists in his twenties. He was a famous iron-willed brilliant commander who laid down unique strategy, tactics and war methods unprecedented in history, including a strategy of an immediate and over-all counterattack, an operation to liberate Taejon which is a brilliant example of modern siege battle, the formation of the second front of strong regular armed forces in the rear of the enemy, an active positional defence battle and intensive use of artillery fire in mountainous areas with his rare military intelligence and outstanding stratagem.

Today the progressive humankind of the world are speaking highly of President Kim Il-song as a "defender of world peace", struck with admiration at his outstanding commanding art.

DPRK: Women Mark Law on Equality of Sexes at Kim Il-song Statues

SK3107051796 Pyongyang KCNA in English
0432 GMT 31 Jul 96

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — Floral baskets were laid before the statues of the great leader President Kim Il-song throughout the country by women Tuesday on the occasion of the 50th anniversary of the promulgation of the law on equality of the sexes.

Seen before the statue of President Kim Il-song on Mansu Hill in Pyongyang were floral baskets, bouquets and flowers presented in the name of the Korean Democratic Women's Union Central Committee and its organizations in Pyongyang.

Officials and members of the union and women of various circles made bows to President Kim Il-song in deep reverence, pledging to work hard to defend and further glorify the anthropocentric Korean- style socialism closely rallied around the great leader Comrade Kim Chong-il.

DPRK Olympic Delegation Head Denies Plan To Cohost World Cup

OW3107074096 Tokyo KYODO in English
0633 GMT 31 Jul 96

[FBIS Transcribed Text] Atlanta, July 31 KYODO — The head of North Korea's delegation to the Olympic games on Tuesday [30 July] denied as groundless South Korean press reports that he had suggested the North could host some of the 2002 World Cup matches scheduled for the South.

"I have said nothing of the sort," Han In-kun said in an interview with KYODO news.

Han, also a vice chairman of North Korea's State Physical Culture and Sports Committee, was responding to newspaper accounts in South Korea that he had said North Korea "was ready" to host some matches of the 2002 World Cup.

FIFA, soccer's world governing body, awarded the tournament jointly to Japan and South Korea last May.

"I know that Japan and South (Korea) will be co-hosts, but it would be impossible for us to share the games so long as the South prepares for war and keeps on creating tension," Han said.

Han said he has no knowledge whether his delegation had been approached by South Korean officials over the North-South co-hosting proposal.

DPRK Farm Workers Survey Crops for Blight, Insect Damage

SK3107031096 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 30 Jul 96

[FBIS Translated Text] Party members and farm workers in the Saenggijang cooperative farm in Kyongsong County, who have unanimously risen in the struggle to accomplish the party's agriculture-first policy by upholding the fatherly leader's behest, are thoroughly establishing measures to prevent damages by blight and insects in compliance with the recent vigorous growth of the crops.

Functionaries repeatedly informed farm workers of the ecological characteristics of blight and harmful insects, which can develop according to crop characteristics at each growth stage and to weather conditions, so that workers can rise as one in doing a preliminary survey of blight and harmful insects [pyonghaechung yechal saop].

The farm attentively set up outposts for preliminary field surveys of blight and harmful insects, and it is carrying out the preliminary survey work on a normal basis. By grasping and understanding each day the status of the preliminary survey of blight and harmful insects in each workteam and subwork team, the farm established timely measures to cope with this situation.

In particular, Workteam No. 2 saw to it that members doing the preliminary survey of blight and harmful insects substantively carry out the work according to the demands of the chuche agricultural method, with a lofty awareness of being the masters responsible for the nation's granary. Thus, they prevented the appearance of even one harmful insect.

DPRK: Article Emphasizes Living for Tomorrow

962C0076B Pyongyang NODONG SINMUN in Korean 26 Mar 96 p 2

Article by Hwang Chang-man: "A Revolutionary Outlook on Life Calling for Living Today for Tomorrow"]

[FBIS Translated Text] We are a people making revolution. For us, a day spent with a true outlook on life is more valuable than 100 or 1,000 days spent aimlessly.

The great leader [yongdoja] Comrade Kim Chong-il elucidated the true outlook on life calling for living today, not for today but for tomorrow. This outlook on life provides eternal life-giving water for our party members and workers, enabling them to live a highly worthy life and ceaselessly add luster to their dignity and honor as chuche-oriented revolutionaries.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "'Do not live today for today, but for tomorrow'—this is my outlook on life. This is to say that people should live with a determination to sacrifice themselves for the future of the country and the happiness of prosperity, even if they themselves have to do without pleasure."

Everyone needs to have a true outlook on life if he wants to live a worthy life as a revolutionary and a true human being.

By an outlook on life is meant one's attitude, point of view, and stand with regard to life. What the principal purpose of life is, and what kind of life is most worth living are the important questions for which one's outlook on life needs to find the correct answers.

Everyone has only one life to live. It is a desire of all human beings to live a worthy life in a worthy way. One's life can be either worthy or unworthy depending on his outlook on life. Those who have an individualistic outlook on life which seeks nothing but personal ease and pleasure can accomplish nothing and have nothing to contribute to the country, the people, and posterity, no matter how long they may live. The lives of these people are nothing more than the lives of animals which simply continue their biological existence. Only those with a revolutionary outlook on life who are ready to sacrifice themselves for the good of the country, the people, and prosperity can live an honorable life, a worthy and rewarding life.

"Do not live today for today, but for tomorrow"—this is the chuche-based outlook on life elucidated by the respected and beloved commander [Comrade Kim Chong-il] . This outlook on life is a true outlook on life that enables people to live a worthy and rewarding life.

Living today for today and living today for tomorrow reflect two diametrically opposed outlooks on life. Living today for today is literally the life of a transient. It is the very pathetic way of life of those who seek nothing but their personal pleasures, with no consideration whatsoever for the good of the country, the people, and posterity. The revolutionary character or the sacrificial spirit of giving one's all to the good of the country and the people is something that cannot be cultivated by these human beings who find pleasure in the fulfillment of their egoistic desires. The outlook on life calling for living today for today is in essence an individualistic outlook on life.

To say that one is living today for tomorrow is to say that one is living with a resolve to sacrifice oneself for the future of the country and the happiness of posterity even if one has to do without pleasure. This is the collectivist outlook on life, that is, the life of giving one's all to the country and the people. The revolutionary outlook on life calling for living today for tomorrow is the maxim on life and struggle which raises to the highest plane the outlook on life true revolutionaries should have.

The revolutionary outlook on life calling for living today for tomorrow serves above all as a basic principle enabling revolutionaries to set forth the loftiest goals of life and struggle for them.

In order for a person to live a worthy life, it is important to set the right goals and ideals of life.

Only the people who set noble goals and sublime ideals can glorify every moment of life with a devoted struggle to fulfill these goals and ideals and with the exploits they produce in this struggle.

Chuche-oriented communist revolutionaries are the ones who set the loftiest goals and ideals of life in the world and fight to fulfill them. Revolution is a struggle to materialize the independent stand and attitude of the people; and revolutionaries are the fighters who devote their lives to this struggle. The foremost goal and ideal of life for revolutionaries consists in fighting, giving their all for the country and the revolution, not for their personal ease, wealth, and glory. Those who set such a goal and ideal are true revolutionaries living a worthy life.

Underlying the chuche-oriented outlook on life calling for living today, not for today but for tomorrow, is the noble desire that revolutionaries should set it as their goal and ideal to fight, giving their all for the future of the country and the happiness of thousands of generations yet to come. Of course, today is important for revolutionaries. Today presages tomorrow; and apart from today's struggle there can be no victory for tomorrow.

That is why revolutionaries try hard to live a true life each day regarding it as important to do so. But for them, it is more important to live and struggle for tomorrow than for today. Revolution is struggle for tomorrow, and revolutionaries are the ones who are working hard to advance the future.

They may not be able to see the ultimate victory of the revolution or come to enjoy life in their own generation. Nevertheless, it is inevitable for the revolution to end in victory; and it is certain that the day will come when the masses of people become masters of the world and their own destiny and enjoy an independent and creative life to their hearts' content. Revolutionaries should not live by simply looking at reality unfolding before their eyes, but devote each day to a greater victory in resplendent tomorrow, looking ahead to the future of the country and the revolution. It is the loftiest goal of revolutionaries to live and fight for tomorrow when the prosperity of the country and the happiness of posterity will flourish.

In bygone days the revolutionary fighters, while engaged in a bloody struggle, were well aware that they might fall in the thick of the fight against the enemy and might not be able to see the restoration of the fatherland. But they fought willingly giving their prime of youth and their lives in order that the future generations might live in happiness in the restored fatherland, although they themselves had to do without pleasure. The lives of the anti-Japanese revolutionary fighters shine as worthy lives because they fought by setting it as their noble goal and ideal of life to live and fight to advance the future of the fatherland.

Currently, our people are struggling to complete the cause of socialism by crushing the challenges and obstructionist maneuvering of the imperialists and reactionaries. Obstacles and ordeals may stand in our way, and unexpected barriers may confront us. But our victory in the revolutionary cause is a certainty. When we live and fight regarding it as our lofty goal and ideal of life to bring the great leader's revolutionary cause to consummation, we will be able to break through all obstacles and ordeals without fail, no matter how great they may be, and continue to fight brimming over with confidence and optimism. He who lives and fights with the revolutionary outlook on life calling for living today for tomorrow, knows nothing of defeat and is bound to become a victor.

The revolutionary outlook on life calling for living today for tomorrow provides eternal life-giving water for chuche-oriented revolutionaries, enabling them to fight on to the end by finding the worth of life in their struggle for the future of the country and the happiness of thousands of generations to come.

The question of where to find the value and worth of life is the touchstone by which to test whether one will live a worthy life or a trashy life. Man is a social being that cannot exist apart from society and the collective. The worth of one's life is evaluated by the degree by which one contributes to society and collectives. The greater the contribution a person has made to society and the nation and to the revolutionary cause of the masses, the worthier becomes his life. Only those who find the worth of their lives in making such a contribution can be called real revolutionaries. If anyone keeps his distance from society and his collective and lives only for his own interests, indifferent to the interests of the revolution and the interests of the masses, then his life is worthless.

Underlying the outlook on life calling for living today for tomorrow is the profound desire that revolutionaries should find the worth of life in the struggle for the good of society and the collective and in the struggle for the future of the revolution.

Whether one lives a worthy life for the good of society and his collective or lives a meaningless life only for his own good comes down to the question of whether one lives today for today or for tomorrow.

Inasmuch as the biological life of each person has a limit, living only for one's own good is tantamount to living today for today. The lives of people living this kind of life come to an end when their biological lives end. They live a life with no future, that is, a worthless life. The life of an individual has an end, but society and collectives exist and develop forever. Those who contribute to society and the collective are living today for tomorrow. Those who live today for tomorrow are the ones who are creating an eternal future for society and collectives, not just for their own sake and for their own time. They are leading a life which is in accord with the independence-leaning nature of man—the worthy and rewarding life of constantly maintaining and glorifying their dignity and honor as revolutionaries.

When possessed with the outlook on life calling for living today for tomorrow, revolutionaries find the value and worth of life in struggles for a bright future and can maintain and ceaselessly glorify their dignity and honor as revolutionaries.

The numerous heroic fighters, known and unknown alike, who performed exploits in their respective times were without exception the revolutionaries with the true outlook on life which values the future more than the present. The unsung heroes and meritorious persons who are models for our contemporaries are working sincerely for the party, the leader, the country, and the people by the sweat of their brow, regardless of whether anyone is watching or taking note of their efforts. This is because they are the true communist revolutionaries who know how to find the worth of life in their struggle for tomorrow. History and reality prove that the straggle for the future is where lies the worth and reward of the lives of the revolutionaries.

The struggle of today for tomorrow demands a boundless devotion and the precious spirit of sacrifice.

As our revolutionary elders in bygone days gave their blood and sweat for the future, our generation must fight today with an extraordinary determination to work for the future of the country and the prosperity of posterity. Nobody in the world can be a match for one who is ready to die. This readiness is precisely the conviction and courage of the revolutionaries who are living and fighting for tomorrow. When our people fight with this same conviction and guts, there is no obstacle that is insurmountable and no fortress that cannot be captured.

"Do not live today for today, but for tomorrow," the chuche-oriented outlook on life elucidated by the respected and beloved commander, is the most revolutionary outlook on life that every revolutionary should have.

Our faithful people who more and more resemble their leader [yongdoja] in all aspects are accepting the respected and beloved commander's revolutionary outlook on life as the only outlook on life that they should have, and are brimming over with a firm determination to make the dignity and honor of the Kim Il-song nation felt in the world through their struggle for the future.

We are certain of the future wealth, power, and prosperity of our country and the happiness of posterity because we have our people who are living and fighting with the revolutionary outlook on life elucidated by the respected and beloved commander.

DPRK: Article Views Party Policy on Moral Education

962C0077A Pyongyang NODONG SINMUN in Korean 3 Apr 96 p 2

["Conducting Moral Education as a Communal Undertaking Is Our Party's Constant Policy"]

[FBIS Translated Text] Continually stepping up the moral education of the people is an important requirement for the consolidation, development, and completion of socialism.

With a penetrating insight into the significance and importance of moral education in socialist construction, our party has always vigorously carried on this education as an undertaking of the whole community.

Conducting moral education as an undertaking of the whole community is a consistent policy of our party.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "We must constantly educate and lead party members and workers to observe the norms of communist morals in every aspect of social relations and social life, ranging from loving their parents and brothers and sisters and caring for and helping each other to valuing collectives and organizations and conserving and keeping social and state properties in good condition and conscientiously observing public morals."

Conducting moral education as an undertaking of the whole community means that all agencies and organizations, such as homes, schools, public education organizations, participate in this task and carry it out in a substantive manner.

Moral education in socialist society, by nature, can be conducted successfully only when it is conducted as an undertaking of the whole community.

Moral education in socialist society is an undertaking designed to bring up people as real revolutionaries, communistic human beings, with fine and wholesome mental and moral features in order that the noble communist human relations and moral ethos may dominate every aspect of social relations and social life, and the ideological base of socialism may be firmly consolidated. This undertaking—aimed at thoroughly rooting out the moral vestiges and conventionalities of the old society and establishing collectivist morals and the socialist life style suitable to socialist society—is a difficult and complex task. It is impossible, therefore, to achieve good results by the efforts of some educational organizations or educational functionaries alone. Socialist society is one in which all the people have become masters; accordingly, in socialist society all its members are duty bound to participate in moral education, the task of remolding man. As is the case with all other tasks in socialist construction, the most effective and potent way of conducting moral education, the task of remolding man, is pushing it as an undertaking of the whole community.

Strengthening home, school, and social education is a very important link in conducting moral education as an undertaking of the whole community. The domestic, academic, and social environments have a tremendous impact on the shaping of the moral ethos of people.

The family is a cell of the society. Only when the family is wholesome and harmonious can society become one large family with its members helping, leading, and loving each other. Just as there is no such thing as a born revolutionary, no one is morally perfect from the beginning. The noble moral character of individuals springs from home life and grows through it. Home life, in particularly, has a great impact on the formation of the moral ethos of the growing generation. Only when the parents make it a rule to constantly educate their children at home by showing them examples so that they may respect their seniors and treat them with decorum, love to work, and observe social order and public morals well, can their children attain a fine moral character and put themselves in the habit of acting accordingly from their childhood. The saying that "it is hard to teach an old dog a new trick" bespeaks of the great impact home education has on the shaping of the mental and moral character of people. Experience shows that when the parents prepare themselves as people with a noble moral character and thoroughly revolutionize the family and thus educate and lead their children properly, they can bring up all of their children excellently as persons with a fine moral character who give their all to society and collectives, and contribute to establishing the communist moral ethos throughout the society. That is precisely the reason why our party is constantly emphasizing the importance of revolutionizing the home and carrying out home education properly.

The schools play an important role in bringing up people as true human beings with the noble communist moral character.

One's school days are the most important period in one's life. Childhood is the period in which children form their outlook on the world, and in which they have a thriving capacity of inquiry and perception, a lot of curiosity, and a very acute susceptibility. Everyone grows in ideological, mental, and moral terms in his or her childhood and adolescence. Therefore, the kind of education people receive in their school days plays a decisive role in shaping their character.

Inasmuch as everyone enters society after going through schooling at the higher middle school level or higher thanks to the sagacious leadership of the party and the leader and the socialist education system, conducting proper school education constitutes a very important means to establish the communist moral ethos all-out in the whole community. Only when the students, in the course of schooling, are given proper education designed to cultivate in them a noble communist moral character, along with political and ideological education is it possible to make the growing generation into fine revolutionaries and real human beings.

Currently, our youth, members of the people's army, and workers, are giving full play to the fine custom of performing the noble moral duty to give their all to the party and the leader, and society and collectives. Those who have this noble moral character are the ones who without exception studied hard and carried out their organizational activities diligently and exerted great efforts to attain a fine moral character in their school days. It is precisely because of this that the party, which is highly appreciative of the behavior of those communistic human beings who gave their youth and lives for the sake of the party and the leader, and for the sake of the country and the people, in an act of benevolence inscribes the names of these heroes and erects their half-length statues in their alma maters. This clearly shows the great importance our party attaches to school education in bringing up people as revolutionaries with a noble mental and moral character.

Social education, along with home and school education, is very important in vigorously carrying on moral education.

People continually give themselves moral education not only at home and school but in the course of their social activities.

Social life is a practical activity to remake nature and society. In this process they go on perfecting themselves not only ideologically and mentally but also morally.

By home and school education alone, no matter how excellent it may be, one cannot attain a perfect, flawless moral character unless one's home and school education is backed up by social education. Social life is so diverse and complex that the concrete norms of moral behavior that must be observed cannot be mastered by a few words or by one or two lessons. The moral character of all members of society can be elevated to a lofty height only when the role of all educational facilities and all means of propaganda and indoctrination in society is enhanced, and at the same time, the social environment itself becomes the place of schooling and education to cultivate the noble communist moral character.

To combine closely home, school, and social education is an important requirement for the successful conduct of moral education. In socialist society where the unity and cooperation among the workers have become the basis of social relations, and where collectivism is the foundation of social life, the home, school, and society share the same desires and interests. This provides a sure guarantee for conducting moral education as an undertaking of society as a whole and closely combining home, school, and social education. When the parents and the functionaries in the field of education and in the agencies of social indoctrination conduct moral education in close coordination and cooperation, the education of youth and workers can be improved.

We must see to it that everything people see and hear everywhere, be it at home, at school, or in the village, serves as a means of education to inculcate a noble moral character in them. When this happens, the whole community will brim over with the communist moral ethos, and our society will flourish as a large family all the more wholesome and revolutionary.

The party policy of conducting moral education as an undertaking of society as a whole is of great significance.

The purpose of this policy is, above everything else, to prepare all party members and workers as true chuche-oriented revolutionaries with the noble communist moral character ingrained in them.

Chuche-oriented revolutionaries are the ones who possess true human features with a noble moral character, along with a lofty revolutionary outlook on the world. A precious stone may have a flaw, but a communist should never have a flaw as a human being. The communists are the truest human beings in the world because they have the communist moral character ingrained in them.

The noble moral character of a person is not shaped automatically, but can be attained and implanted in him only when he constantly receives education from his childhood on and ceaselessly continues his moral cultivation in daily life.

With the presentation of our party's policy of strengthening moral education through homes, schools, and society, a powerful ideological and theoretical guarantee has been put in place to bring up all members of society as noble human beings and true revolutionaries, with the deeply ingrained communist moral ethos and collectivist morals.

The significance of this policy also lies in that it enables us to bring into efflorescence the proud grand feature of our society in which its members, bound closely around the party and the leader, live in harmony helping and leading each other.

The true superiority of our way of life lies in that all the people form a large family regarding the leader [yongdoja] as their father and give full play to the noble communist moral duty to help and lead each other. This is precisely where our people find a boundless worth and happiness of life and where lie the immense attraction and invincible vitality of our way of socialism.

With the presentation of our party's policy of vigorously conducting home, school, and social education, aimed at the inculcation of the noble communist moral character, by closely combining them, the way has been paved for our people to give full play to the features of their noble moral loyalty in every aspect of social relations and social life.

Today our people are giving full play to the fine noble communist custom of giving their all to the party and the leader, and society and collectives and find a boundless worth and happiness of life in it. This reality is a positive proof of the validity and vitality of our party's policy on moral education.

The ideological theory on strengthening moral education through the homes, schools, and society is the most scientific and ingenious ideological theory that could not have been set forth by any other person than the great leader [yongdoja] Comrade Kim Chong-il, who is the highest embodiment of communist moral loyalty and who is exploring the new frontier of communist moral construction.

All party members and workers must cherish deep in their hearts the pride they take in living and making revolution by holding in high esteem the respected and beloved Comrade Kim Chong-il, the highest incarnation of the communist morals, as their father and teacher, and add luster after luster to the proud features of our society overflowing with the fine noble communist ethos.

DPRK: Paper Attacks 'Betrayers' of Revolution

962C0077B Pyongyang NODONG SINMUN in Korean 4 Apr 96 p 6

[Article by Kim Chong-son: "The True Colors of the Betrayers of the Revolution"]

[FBIS Translated Text] In his immortal classic "It Is a Lofty Moral Duty of Revolutionaries To Treat Revolutionary Elders With Respect," the great leader [yongdoja] Comrade Kim Chong-il pointed out as follows:

"The traitors to socialism denigrated the leaders of the revolution and the revolutionaries of the preceding generations and tried to enhance their own power by treachery, but instead ended up revealing their true colors as traitors to and renegades from the revolution, as well as their inhumane features.

Remaining loyal to the leader from generation to generation is a duty and the supreme moral loyalty of revolutionaries. Real revolutionaries resolutely support and defend the thoughts and achievements of the leader and carry on his revolutionary cause, constantly developing it.

On the contrary, the traitors to the revolution viciously maneuver to stamp out the achievements of the revolutionary elders for their sordid personal purposes.

Historically, the betrayers to and renegades from the revolution aimed the brunt of attack on the leaders of the working class and the revolutionaries of the preceding generations while opposing the independent cause of the people, the cause of socialism. They occupied key party and state posts by treachery, and denigrated the leader and the revolutionaries of the preceding generations. They did so with the purpose of enhancing their authority by belittling the leader.

However, even with their stratagem they were unable to conceal their true colors as betrayers and renegades.

The traitors to the revolution were, above all, villainous retainers and through-and-through seekers of fame and success in life.

Originally, the words villainous retainers were used in the old feudal society to refer to those wicked government officials who in front of the king played toady to him with sweet talk, but behind his back, hatched all sorts of plots by treacherous means, each wearing a dagger in his bosom, in order to attain their own goals. The traitors to the revolution in the old Soviet Union were this kind of villainous retainers. They had honey in their mouths and wore a dagger in their bosom. They pretended to be loyal to the leader by covering up their evil intentions with honeyed words in front of him; but in reality, they did not support him in earnest. They pretended to "respect" the leader as "teacher" and to be his "loyal disciples."

But when the leader passed away, these traitors to the revolution revealed their true colors as villainous retainers and schemers. The modern revisionists of the mid-1950's behaved like that, and so did the traitors to socialism in the mid-1980's. When those benefactors and seniors were alive who had put them in the front and provided favorable opportunities for them to hold key party and government posts, the traitors to socialism put them up in front pretending to respect them. But once these betrayers themselves seized power, they did not hesitate to brush aside their benefactors and even eliminate them.

Sycophancy, adulation, fame-seeking, and pursuit of personal interests and greed are the way of life peculiar to villainous retainers. It was by their cunning art of living, trickery, deception, and flattery to their seniors that the traitors to socialism were able to hold the key posts in the Soviet Union in the mid-1980's. The Russian newspaper GLASNOST made the following exposure in this connection:

The three pillars that put them into power were stratagem, betrayal, and deception. They betrayed and humiliated everyone, including all those who thoughtlessly trusted them, and even the party that had brought them up and the people who had given them life."

The traitors to socialism resorted to all sorts of trickery to conceal their true nature as seekers of fame and success in life and masqueraded as "sincere, competent, and energetic fine activists." It was for this purpose that each time they talked to others face to face, they made it a rule to turn the subject in the direction they wanted quoting Lenin's themes. Taken in by this stratagem, some people saw them in a favorable light and even had high expectations of them.

The traitors to socialism tried to curry favor with those who were in a position to guarantee them success in life and paid special attention to forging close ties with them. On the other hand, with regard to those whom they think stand in their way, they always found fault with them and tarred them until they got dismissed. Once they gained power, they counted out those who had helped them before as useless figures and drove them out of power. In fact, for the two years and two months following their ascendancy to power, they replaced most of the members and candidate members of the Politburo of the CPSU [Communist Party of the Soviet Union]; and in a period of three years they replaced two-thirds of the key state officials.

The traitors to socialism were also bourgeois revivalists.

In their early days in power, the traitors to socialism in the old Soviet Union declared that they would build "a third welfare state," which is neither capitalism nor socialism, under the slogan of "perestroyka." But what they did was nothing but the restoration of capitalism.

One pattern of their action is criticizing the party.

The traitors to socialism were engrossed in an effort to paralyze the leadership ability of the CPSU and reduce it to a status equivalent to an opposition party in capitalist society and tried hard to transplant a bourgeois plural party system in Soviet society. Under the slogan of "glasnost," they used openness to attack the party and at the 19th All-Union CPSU Congress held in June 1988 adopted the decision "to do away with party guidance" in social life. Under this decision, responsible functionaries of state and economic organizations were eliminated from the membership of the party Central Committee, and legislative action was taken to bar party members from holding state positions and primary-level party organizations from operating in state agencies.

It is a well-know fact that under the signboard of "glasnost," the traitors to socialism put ideological and cultural aspects of life outside the control of the working-class party, introduced bourgeois ideology and culture at random, and actively introduced the capitalist market economy and the capitalist management system in the name of "reorganizing" the economy. They went so far as to scrape up the fanatic worshipers of the market economy to formulate what is called the "500-day program" for the introduction of the market economy, thereby hastening the destruction of the socialist economy system and the restoration of capitalism.

In an effort to enforce the policy of perestroyka, the traitors to socialism set out to remove revolutionary elders, steadfast communists, and other "enemies of perestroika" who were determined to defend socialism from influential party and state posts. Whomever they found opposing "perestroika," even their benefactors who helped them rise in the world, they mercilessly got rid of them without an iota of sympathy. Thus the many who gave prominence to the traitors to socialism and followed their "perestroika" policy, failing to see through their true colors, ended up bringing about their own downfall.

The traitors to socialism by nature are defeatists to imperialism. This is because they were corrupted by the imperialists while cringing and submitting to them, and came to act as their agents.

On an occasion in August 1991, the traitors to socialism said as follows:

"Are you saying we have been corrupted by the United States?"

Many people interpreted this remark as an indication that they were in fact corrupted by the United States. "RUSSKIY VESTNIK, a weekly published by the Cooperation Council of Overseas Russians in its 16th issue cited the following fact, branding the traitors to socialism as agents of the United States.

For quite some time now the U.S. authorities have predicted that the people who will hold the key posts of the party and the state in the Soviet Union next time will be some of those "smelling of social democracy," and even gave some specific names. Afterwards real traitors to socialism did indeed occupy those key posts. Citing this fact, the weekly exposed the fact that the traitors to socialism had to be bought off in order to repay the "favors" they had received from the United States.

There is a plenty of evidence supporting the claim that the traitors to socialism capitulated to the United States and were corrupted by it.

Each time they held talks with the United States, the traitors to socialism make one unilateral concession after another by taking a sycophantic and submissive attitude. There are numerous instances of concession to the United States, such as those in the reduction of nuclear weapons, freedom of emigration, and granting of dissident activities. The Soviet surrender and concession reached such proportions that former U.S. President Bush praised the Soviet leaders as "close partners of the United States."

From the day socialism was born on Soviet soil, the United States persistently maneuvered to eliminate it. The United States spent a staggering $5 trillion for this purpose, but it could not strangle the socialist Soviet Union to death. However, by bringing the traitors to socialism to their knees, corrupting them, and using them, the United States were able to easily bring down the socialist Soviet Union. When the Soviet Union collapsed, the United States hailed it as its "victory" with cheers. Since then the United States has spared no money to look after the traitors to socialism.

The greatest misfortune for any nation is that it is not fortunate enough to have the right leaders. It is because they did not have the right readers that the people of the former Soviet Union lost socialism and ruined the country and are now suffering from misfortunes and tribulations.

South Korea

ROK: KEDO: DPRK Reportedly Demands High Wages for LWR Builders

SK3107111696 Seoul YONHAP in English 1111 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — North Korea is asking the Korean Peninsula Energy Development Organization (KEDO) to pay higher wages to North Korean workers employed for the construction of light-water reactors [LWR] than the level set by North Korean regulations, an official close to KEDO said Wednesday.

Kim Yong-mok, special assistant to the director of the Office of Planning for the Light-Water Reactors Project, said that at the recent KEDO-North Korea talks held at Mt. Myohyang, North Korea made the demand, unveiling an attempt to obtain a maximum benefit from the light-water reactor project.

Kim, who represented the South Korean Government at the Mt. Myohyang meeting, said North Korea upheld the view that the reactor project taking place in North Korea is not a domestic project but an overseas scheme, a kind that usually pays higher wages to North Korean workers.

Saying that there was a wide discrepancy between the wage level offered by the KEDO and the North Korean demand, the official said that KEDO urged the North not to harbor any unrealistic expectation.

North Korean regulations set the minimum wage for the North Korean workers employed by foreign industries in the Najin-Sonbong Free Economic and Trade Zone at 160 North Korean won (roughly 80 dollars) and for those at foreign industries elsewhere in North Korea at 220 won.

It is learned that North Korean workers in the Middle East area are paid about 300 dollars a month on the average.

Kim also said that if things go on as planned, ground could be broken before the end of this year for the construction of light- water reactors at Sinpo, North Korea.

ROK: DPRK Offers R&R Facilities in Mt. Kumgang to KEDO

SK3107022996 Seoul YONHAP in English 0158 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — North Korea has offered its rest and recreation (R&R) facilities in Mt. Kumgang (Diamond) and the nearby beach for use by officials of the Korean Peninsula Energy Development Organization (KEDO) participating in construction of two light-water nuclear reactors in Sinpo on the eastern coast of the communist country.

North Korea made the proposal during the meeting with KEDO officials which opened at the Hyangsan Hotel in Mt. Myohyang, according to a source at the Office of Planning for the Light-Water Reactor Project Wednesday.

But the communist state did not specify the size of the R&R facilities and when KEDO officials can use them.

At Pyongyang's request, KEDO will begin work on the reactor construction project sometime this year, and when the project is in full swing thousands of KEDO officials and engineers will be staying near the project site in Sinpo.

ROK Report Accuses U.S. of 'Abusing' Antidumping Duties

SK3107022796 Seoul THE KOREA TIMES in English 31 Jul 96 p 9

[FBIS Transcribed Text] The government has accused the United States of abusing anti-dumping duties, country of origin rules and textile quotas, to curb imports from Korea and other developing countries, and has threatened to take disputes to the World Trade Organization.

Its official criticism of the U.S. nontariff barriers was contained in the annual Trade Policy Review by Korea, to be submitted to the World Trade Organization soon.

Officials of related government ministries will get together today to finalize the report on trade issues.

The report said the U.S. anti-dumping investigation procedures are not open and out of line with the spirit and provisions of the WTO agreement.

The report noted that given the tendency to use antidumping duties to protect domestic companies, there is a growing recognition of the need for some kind of mechanism to prevent such abuse. It said there is also growing recognition that the effect of antidumping duties is to slow import growth and act against the welfare of consumers, thus clearly violating the spirit of the WTO. It added that this matter is currently under discussion in the Organization for Economic Cooperation and Development.

Korea also hit some countries in Central and South America for abusing anti-dumping probes. It said the United States applies different criteria in handling trade-related cases such as markings of origin and textile quotas. Washington was criticized as handling the country of origin of imported goods on a case-by-case basis, without any detailed regulations.

Seoul said the United States appears to be violating article 2 of the WTO agreement on rules of origin by applying "non-transparent and unpredictable" country of origin rules on textiles and garment goods.

It said the United States is not alone in abusing the country of origin rules, saying that the European Union has invited disputes from exporters of color TV sets, electronic typewriters and copiers due to its arbitrary practices on rules of origin.

Developing countries still maintain restrictions on foreign investment, including the obligation to use domestic parts and to export a specific portion of the production of foreign-invested plants. Seoul said these anti-WTO rules must be abolished.

ROK: 'Political Reasons' Behind U.S. Pressure Over Telecom

SK3107034496 Seoul THE KOREA HERALD in English 31 Jul 96 pp 8, 10

[By staff reporter Yu Chong-mo]

[FBIS Transcribed Text] Resentment is mounting in the domestic telecom community over Washington's designation last week of Seoul as a priority foreign country (PFC) under its Trade Act.

Noting that Korea's telecom equipment trade deficit with the United States has been multiplying in recent years, local enterprises are attacking the U.S. proposed trade sanction on Korea as a typical instance of an "evil-doer's audacity."

According to the Ministry of Information and Communication (MIC) and the Korean Customs Service, rapidly increasing imports of U.S.- made telecom equipment are posing a serious threat to the domestic industry. "Korea imported about $575 million worth of telecom equipment from U.S. makers in the first five months of this year, whereas just $172 million worth of Korean-made telecom equipment was shipped to the United States in the same period," said an official at the MIC.

"Korea's imports of U.S. equipment increased more than 20 percent over last year. In sharp contrast, Korea's exports to the United States dropped by as much as 50 percent," he noted.

In 1993, Korea posted an annual surplus of $66 million in telecom-sector trade with the United States. But the trend started to turnaround in 1994, when Korea posted a red-ink figure of $63 million. Korea's annual telecom trade deficit with the United States further widened to about $223 million last year.

In the first five months of this year alone, Korea suffered accumulated losses of $402 million in its telecom trade with the United States, representing roughly a 400 percent increase over last year. The prospects for Korea's telecom trade with U.S. firms are not likely to improve in the following years, as well, he said.

Announcing Washington's designation of Korea as a PFC last Saturday, United States Trade Representative (USTR) Charlene Barshefsky demanded that Seoul agree to a document guarantee not to pressure its private telecom-service carriers to buy only Korean- made equipment.

In fact, however, USTR officials are believed to be well aware of the Korean government's nonintervention policy in the private-sector procurement process, as well as Seoul's rising telecom-trade deficit with Washington. Nevertheless Washington has been stubbornly asking for further access to Korea's telecom market.

Local analysts point out several reasons behind the mounting trade pressure from the USTR. "It seems likely that Korea's PFC designation has been primarily motivated by political reasons as the U.S. presidential election is scheduled for this fall," an analyst said.

In addition, the USTR is aiming to weaken the influence of Korea's MIC in the procurement process of the 27 newly formed private telecom service carriers, in order to maximize the interests of U.S. equipment makers.

The 27 new companies, licensed last month by the MIC in the personal communications service (PCS), trunked radio service (TRS) and five other wireless and wired fields, are likely to purchase about $6.5 billion (5 trillion won) worth of equipment from domestic and foreign makers over the next five years. "The Korean market may provide great opportunities for U.S. equipment makers. Nevertheless, Washington went to extremes by moving to sanction Korea in the telecom market," he lamented.

He also added that a host of U.S. telecom companies, including Motorola and Geotek Communications, have successfully entered Korea's telecom service market through equity participation in many of the newly licensed service carriers.

Moreover, the PFC designation reflects the growing restlessness of the U.S. telecom community over Korea's successful commercialization of the U.S.-invented CDMA (code division multiple access) digital cellular technology. USTR officials also seem to believe that U.S. telecom equipment makers can gain more from bilateral trade accords with Korea than from a multilateral agreement at the World Trade Organization (WTO).

ROK: Interview With U.S. Official on ROK MIA's, POW's in DPRK

SK3107005696 Seoul YONHAP in English 0034 GMT 31 Jul 96

[Report by Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — The United States is willing to provide South Korea with information on the South Korean soldiers missing or captured in North Korea since the Korean war if the South Korean Government makes such a request, a U.S. Defense Department official said Wednesday.

The U.S. Government might have some information on the issue of South Korean soldiers missing or captured in North Korea and could supply some information to help South Korea determine the fate and whereabouts of South Korean MIAs [missing in action] and POWs [prisoners of war] in North Korea, according to Deputy Director Alan Liotta of the POW/MIA Office of the Department of Defense.

"We have yet to receive such a request from the South Korean Government," Liotta said, but added that his government has already provided Seoul with the list of about 20 South Korean MIAs from the Vietnam war as requests were made by the South Korean Government.

Liotta flew into Seoul Sunday to observe a ceremony for handing over the remains of an American MIA to U.S. officials at the truce village of Panmunjom Monday. The remains were the first recovered by a joint U.S.- North Korea recovery team. The team has been working in North Korea for the past 20 days under a Pyongyang-Washington agreement signed early this year.

The remains were not found on the crash site in Mt. Hyanggok in Unsan County, North Pyongan Province, the original location proposed by the United States, but at a small village called Kandong, about a 20-minute drive southwest of Mt. Hyanggok, Liotta said in an interview.

"The North Koreans were very cooperative at the crash site, Unsan County, 20 kilometers from the Chinese border," Liotta said. "The remains, however, came from a different site."

Expressing satisfaction with the North's cooperation, Liotta said that the North Koreans allowed the recovery team to "talk to witnesses and visit new crash sites suggested by witnesses"

"The agreement calls for, a second recovery effort in September which will take place on the outskirts of Nampo city, South Pyongan Province," he said. A B-29 bomber with 13 airmen aboard crashed there during the Korean war and four bailed out. U.S. officials, therefore, believe that they will be able to locate the remains of nine airmen there.

Liotta hopes that the U.S. can send another team to North Korea after the second recovery effort, and said that "we believe that the former POW camps, cemeteries or mass grave sites still hold remains. American POWs died and the North Koreans buried them near the POW camps." Liotta was quoting American POWs who returned alive from the POW camps in North Korea.

The U.S. official said that "we gave North Koreans ten locations and allowed them to choose two locations. The 10 sites consisted of seven airplane crash sites, two POW cemeteries and one mass grave site."

The North Koreans seem to have chosen the two furthest from military facilities or other sensitive areas, he said.

The U.S. recovery team asked three times about the possibility of American POWs still held in North Korea against their will, but North Korea flatly denied the possibility, according to Liotta.

Liotta dismissed reports that the U.S. paid money for the remains. "The two million dollars we paid to North Korea was not for the remains but the costs associated with recovery operations between 1991 and 1994."

"We only need to reimburse later the cost of using equipment, gasoline or damage done to the land destroyed during the operation," he said.

Liotta admitted that a U.S. State Department official accompanied the recovery team to North Korea but added that he just stayed in Pyongyang to handle administrative affairs related to the operation.

Liotta did not want to attach any political implications to the joint recovery of American MIAs by Pyongyang and Washington, saying, "North Korea and the United States have many issues (to resolve). They have chosen to work with the United States on this issue because it's a humanitarian issue."

"But I don't think (U.S-North Korea) relations will improve fast just because of that," he said.

He said that his team had not talked to North Koreans about food, the four-party talks or any other political issues and vice versa.

"The ROK Government was extremely supportive of the recovery operation," he said, adding that Seoul and Washington have maintained close cooperation while pursuing the repatriation of American MIAs from a completely humanitarian point of view.

ROK: Kim Yong-sam: 4-Way Talks To Ease DPRK Economic Crisis

SK3107104396 Seoul YONHAP in English 1034 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — President Kim Yong-sam said Wednesday that South and North Korea will discuss easing the North's economic difficulties through increased inter- Korean economic cooperation when the proposed four-nation meeting on the Korean peninsula's peace issue takes place.

In an interview with the Seoul ECONOMIC DAILY on the occasion of the newspaper's 36th anniversary, Kim expressed hopes that Pyongyang will pursue policies that will not only contribute to achieving peace and stability on the Korean peninsula but also ease the economic difficulties facing the North Korean people.

When asked about the privatization plans of government-subsidized companies, Kim said business conglomerates will be excluded from bidding on large big state-run corporations, although both large and small businesses will be allowed to participate in the bidding for those medium-size state-run firms that will not intensify the concentration of economic power in several specific business groups.

The concern about the concentration of economic power and the industrial specialization issue will be settled automatically when the 21st century brings an era of unbounded competition to South Korea, Kim remarked.

To allow fair trade practices to take hold in the business community, added he, controls over trade between companies within a specific business group will be intensified, along with restrictions on mutual payment guarantees for loans between "affiliated" companies.

ROK Official on DPRK's 'Ready Declaration' of Flood Damage

SK3107013896 (Internet) The Digital Chosun Ilbo WWW in English 1252 GMT 30 Jul 96

[FBIS Transcribed Text] North Korea's official central news agency Tuesday broke from its hitherto custom of not making official reports of incidents or disasters to the outside world and reported in detail the damage brought about by recent torrential rains. It said that in Hwanghae and Kangwon Provinces that due to heavy rain great human losses occurred and many public buildings, mines and rice paddies were flooded.

It further said that the Hwanghae Steel Mill was forced to suspend operations, Songnim City is flooded due to the overflowing of the Hwangju Stream and highways and railroads between Pyongyang and Kaesong were destroyed. The report is in stark contrast with last year's scenario in which the agency reported the flood damage one month after it occurred and denied the loss of human life.

According to the North report, the area which suffered most heavily from the floods is located just North across the border of the South towns Chorwon, Yonchon and Paju.

It is reported that the great leader Kim Chong-il has been provided with an amphibious car and air-plane.

According to an official of the Ministry for National Unification the reason why the North has made such a ready declaration of damage to the outside world is that it has resolved to solve its food crisis and flood damage problems through the obtention of international assistance. The Ministry said however that fearing disturbance the North did not release the report domestically.

ROK: DPRK Loosens Rules on Foreigners Leasing Land in Najin Zone

SK2907005496 Seoul KYONGHYANG SINMUN in Korean 26 Jul 96 p 4

[By reporter Yi Tae-kun]

[FBIS Translated Text] It was learned on 25 July that, in an effort to attract investments to the Najin-Sonbong free economic and trade zone, North Korea has decided to give those who lease land in this area the right to carry out transactions with respect to the land.

On 25 July, an official of the Ministry of National Unification said: "A North Korean team visiting Japan to attract investments to the Najin-Songbong area said in an investment explanatory meeting that the North Korean authorities?have decided to allow leased land in the Najin-Sonbong area to be sold, sublet, donated, or mortgaged."

The official said: "Those who lease land in this area will be given the right to use the land on a commercial basis and sell it under the condition that the North Korean authorities still own the land." It has also been confirmed that North Korea has set the lease term at 50 years but will allow the indefinite extension of the term, thus virtually allowing a permanent lease, and that it has also decided not to limit the size of land tracts for rent.

In addition, North Korea has established a human resources agency in the Najin-Sonbong area to provide manpower to enterprises to set up business there under the condition that they may dismiss their employees in accordance with a competent contract.

ROK: Seven Soldiers, Students Arrested for 'Leftist' Activities

SK2807030496 Seoul THE KOREA TIMES in English 28 Jul 96 p 3

[FBIS Transcribed Text] Chunchon, Kangwon-to — Seven enlisted men and collegians have been arrested for organizing a leftist organization and training members.

Two students of Sangji University in this city formed the allegedly "pro-North Korean" organization in co-operation with four enlisted men and trained members by using videotapes on the biography of the late North Korean leader Kim Il-song and his struggle for independence against Japan's colonial rule of Korea, provincial police here said yesterday.

Police and agents from the Defense Security Command confiscated some 100 pamphlets and other materials as evidence of their pro- Pyongyang activities in violation of the National Security Law.

ROK Editorial Criticizes Hashimoto's Visit to War Shrine

SK3107021196 (Internet) The Digital Chosun Ilbo WWW in English 1251 GMT 30 Jul 96

[Editorial: "Hashimoto's War Shrine Visit"]

[FBIS Transcribed Text] Japanese Prime Minister, Ryutaro Hashimoto, visited the Yasukuni Shrine located in central Tokyo on Monday. If one regards Hasimoto's visit as the simple act of worship in accordance with Japanese Shintoist beliefs then we have no reason to feel concerned or involved as the matter can be related purely to a consciousness concerning a set of beliefs peculiar to a certain Japanese faith.

However the real fact is that Hashimoto's paid homage in an official capacity at the Shrine which contains a war memorial symbolizing Japanese military rule and commemorating over 2.5 million war dead including the executed wartime Japanese leader Hideko Tojo. Accordingly, Hasimoto's visit represents an official declaration of the historical legitimacy and justification of the period of Japanese authoritarian rule.

When Japanese Prime Minister Nakasone visited the Yasukuni Shrine in 1985 and Prime Minister Fukuda visited in 1978, there was much outcry in and outside of Japan. It is predicted that the fact that Hashimoto, former ultra right-wing president of the Japanese War Veteran's Association, has seen fit to make the first public visit by a prime minister to the war memorial in 11 years will bring about much protest not only by members of his coalition government but by the various countries which suffered at the hands of the Japanese during the war. Reflective of this predicted sentiment is the statement issued by the Korean government, namely "in order to build sincere and friendly relations between Japan and Korea it is necessary for Japan to respect the feelings of countries which were victims of the attacks by imperialist Japan in the past".

Some suggest that Hashimoto made his pilgrimage to the Yasukuni in a desperate attempt to try and win over conservative voters for the Japanese general election which is forecast to take place in this coming fall. However, if Hashimoto wished to emphasize trust in paving the road for broader co-operation and friendship relations between Korea and Japan, which is a necessary pre-condition to the successfully joint holding of the World Cup in 2002, then he would have thought twice about engaging in such a thoughtless act.

In order to sew the seeds of a genuine co-operative understanding between the two countries Japan ought to seriously contemplate modeling its attitude on the acts of past repentance taken by the former West German President who said that "to shut one's eyes to the past is to close one's eyes to the present". We will continue to remind Japan that the only way they can properly liquidate the feelings of animosity that continue to linger towards them since the end of the war is to take on board seriously the way in which Germany carried out thorough self-repentance and enacted paradigm laws prescribing former Nazism as a crime and new Nazism as a crime.

ROK Daily Dicusses PRC Nuclear Test, Prospects for Test Ban

SK3107055396 Seoul KYONGHYANG SINMUN in Korean 31 Jul 96 p 3

[Editorial: "'Comprehensive Nuclear Ban' Should Be Realized"]

[FBIS Translated Text] The PRC conducted a nuclear test on 29 July. The recent test was carried out less than two months after a test was conducted secretly at Lop Nor in the Xinjiang Uygur Autonomous Region on 8 June. Furthermore, the recent nuclear test was conducted only a few hours before international negotiations began for the Comprehensive Test Ban Treaty [CTBT], aimed at banning all nuclear tests. As such, the PRC can hardly evade international criticism. Nevertheless, we believe that the prospects for banning nuclear tests on earth in the future are not at all dark.

The recent PRC nuclear test was announced in advance. Even if a nuclear test was announced beforehand, criticism cannot be reduced or evaded. However, the PRC announced it would completely freeze testing after conducting one more test by the end of September, following the 44th nuclear test carried out last month. The PRC also pledged to work to conclude the CTBT together with other countries. Thus, the test was conducted two months ahead of schedule. The PRC apparently seems to have kept its promise, because it made "a solemn pledge to suspend overall nuclear tests beginning 30 July."

The PRC's pledge to ban nuclear tests is of great significance in the international efforts to ban nuclear tests. Since the United States led the world's effort to ban nuclear tests by unilaterally declaring a freeze on its nuclear tests last year, the United Kingdom and Russia has joined its rank, and France also declared a termination [chonggyol] of its nuclear tests. This being the case, out of five great nuclear powers of the world, only the PRC refused a freeze on nuclear tests. With the PRC's pledge for an overall suspension of nuclear tests this time, all the major nuclear countries of the world have virtually declared a freeze on nuclear tests. As a result, the trend of a worldwide ban on nuclear tests will likely be accelerated in the future.

Even if the nuclear powers have pledged to ban nuclear tests respectively, one should not believe that the future of the global village will be safe from nuclear disaster. This would be a great miscalculation, because the nuclear states already have such enormous quantities of nuclear weapons that they could destroy the earth several hundred times over. What should be raised at this point is the call by small nuclear states to link a nuclear test ban with nuclear disarmament. This call is by all means appropriate, in view of the nuclear weapons possessed by world nations.

Because of this very question, the international conference for CTBT convened in Geneva on 29 July has proceeded with difficulty from the outset. India and other countries demand that articles specifying the removal of existing nuclear weapons and a ban on computer simulation tests (imitation nuclear test) be included in the treaty. If mankind truly wants to build a global village free from nuclear threats, their demands should be deservedly accepted.

ROK: Swiss Vice President Koller Arrives for Visit

SK3007022396 Seoul YONHAP in English
0104 GMT 30 Jul 96

[FBIS Transcribed Text] Seoul, July 30 (YONHAP) — Swiss Vice President Arnold Koller flew into Seoul Tuesday to enhance economic and political relations between South Korea and Switzerland.

Concurrently minister of justice and police, Koller will meet with Prime Minister Yi Su-song, Foreign Minister Kong No-myong, Justice Minister An U-man and Science and Technology Minister Chong Kun-mo while staying in Seoul through Friday, a Foreign Ministry official said.

He is slated to discuss a wide range of issues with Korean counterparts, including the Swiss role in the Neutral Nations Supervisory Commission within the framework of the armistice agreement, questions of international cooperation in judicial matters, bilateral and international economic issues, cooperation in science and technology as well as questions related to local autonomy.

Koller will become his nation's president next year under the Swiss system that calls for each of the seven cabinet members to assume the presidency on an alternating annual basis.

ROK, Chile Agree To Sign Investment Guarantee Accord

SK2707064496 Seoul YONHAP in English
0442 GMT 27 Jul 96

[FBIS Transcribed Text] Seoul, July 27 (YONHAP) — South Korea and Chile agreed to sign an investment guarantee accord Saturday and hope that the agremeent will pave the way for the two countries to expand their economic relations, a Foreign Ministry spokesman said.

South Korea and Chile have had three rounds of talks to conclude the investment guarantee agreement since they first agreed on the need for such an agreement in 1985, he said.

South Korea had invested 29 million dollars in Chile by the end of 1995.

ROK Agriculture Ministry Reports Jan-Jun Import Figures

SK3107065796 Seoul YONHAP in English
0550 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — South Korea imported 5.95 billion U.S. dollars worth of agro-fishery and forestry products during the first half of the year, up 17.4 percent from a year ago, the Ministry of Agriculture, Forestry and Fisheries said Wednesday.

The United States was the major source of the imports with 2.17 billion dollars worth, up 27.9 percent from 1.73 billion dollars recorded a year earlier, and China was next with 493 million dollars, up 28.7 percent from a year ago.

Imports from America accounted for 36.5 percent of the total, up from 34.1 percent a year ago.

Sea product imports grew the fastest with a 39.5 percent increase that resulted in 525.1 million U.S. dollars sales.

Agricultural, livestock and forestry imports surged 20.6 percent, 13.1 percent and 6 percent, respectively.

By item, whiskey stood at 86.6 million dollars during the six- month period, up 45.8 percent, cigarettes posted 175 million dollars, up 26.7 percent, cheese stood at 22.8 million dollars, up 32.6 percent, and milk products amounted to 40.8 million dollars, up 43.7 percent, the ministry said.

Other imports included pollack at 52.7 million dollars, up 59.2 percent, shrimp at 36.6 million dollars, up 39.2 percent, squid at 31 million dollars, up 171.9 percent, codfish at 28.3 million dollars, up 66.5 percent, the ministry added.

ROK: Territorial Water, Contiguous Zone Law Takes Effect 1 Aug

SK3107082396 Seoul YONHAP in English
0731 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — The law on the 12-nautical mile territorial waters and additional 12-mile contiguous zone will go into effect Thursday [1 August] to consolidate the country's sovereignty and control over its territorial waters, Foreign Ministry Spokesman So Tae-won said Wednesday.

The law stipulates that the law enforcement authorities collect up to 200 million won, a ten-fold increase from the previous 20 million won limit, in fines for those who violate the country's territorial waters.

The law also allows the country to set a 12 nautical-mile contiguous zone in which authorities can crack down on those who violate the country's laws on smuggling, illegal entry, health, quarantine and inspection under the United Nations Convention on the Law of the Sea.

About 40 countries have so far declared their 12-nautical-mile contiguous zones. China and Japan also declared the contiguous zones on Feb. 25, 1992, and July 20, 1992.

ROK Assembly Ratifies Bill To Extend PKO Tours in Africa

SK2707052896 Seoul YONHAP in English
0441 GMT 27 Jul 96

[FBIS Transcribed Text] Seoul, July 27 (YONHAP) — The National Assembly ratified legislation Saturday that extends the stay of South Korean peacekeeping forces in Angola and Western Sahara for another year.

South Korea maintains a 198-man engineering unit in Angola and a 20-man medical team in Western Sahara.

Now that the law has been passed, the government will soon send an engineering battalion to Angola and a medical unit to Western Sahara to replace the existing PKO forces which have served in the African countries since last September, a Foreign Ministry spokesman said.

ROK: Japanese Prime Minister Sends Condolences Over Flood

SK2907133196 Seoul YONHAP in English
1229 GMT 29 Jul 96

[FBIS Transcribed Text] Seoul, July 29 (YONHAP) — Japanese Prime Minister Ryutaro Hashimoto sent a message to President Kim Yong-sam Monday afternoon, expressing consolation over the loss of many human lives and property damage suffered in the recent flood that struck the Kyonggi and Kangwon Province areas.

In the cable, Hashimoto said that on behalf of the Japanese Government and people, he was offering heartfelt condolences and consolation over the death of many people and the extensive property damager suffered.

The Japanese premier asked President Kim to let him know if there were any thing Japan could do.

Japanese Foreign Minister Yukihiko Ikeda, too, flashed a similar message to his Korean counterpart, Foreign Minister Kong No-myong, the Foreign Ministry reported.

ROK: PRC's Jiang Zemin Sends Condolences Over Floods

SK3107075196 Seoul YONHAP in English
0728 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — Chinese President Jiang Zemin Wednesday sent a telegram to South Korean President Kim Yong-sam to convey his condolences to the victims of recent floods in the central part of the nation, a Foreign Ministry official said.

Jiang expressed his heart-felt condolences to the families of those who were recently killed and the residents in the areas affected by the flood on behalf of the Chinese people.

The Chinese president expressed hope that those affected by the flood would be able to quickly recover from the damage.

ROK: Minister Instructs Military To Help With Flood Relief

SK2807071696 Seoul YONHAP in English 0601 GMT 28 Jul 96

[FBIS Transcribed Text] Seoul, July 28 (YONHAP) — Defense Minister Yi Yang-ho Sunday instructed that the military units, which have not suffered from the recent flooding, launch operations to help flood victims rehabilitate from the devastating flood which hit the central part of the country for the past three days.

Army Chief of Staff Yun Yong-nam meanwhile ordered military units to allow the soldiers, whose hometowns were hit by the recent flooding, to get special holidays so they could take part in the rehabilitation efforts in their hometowns.

General Yun also ordered that military units in the areas affected by the flood accommodate as many homeless as they can unless the accommodation does not hinder the normal military operation.

ROK: 'Flash Floods' Cause 'Tragic Losses' to Army Units

SK3107020896 (Internet) The Digital Chosun Ilbo WWW in English 1257 GMT 30 Jul 96

[FBIS Transcribed Text] Torrential rains over the last days have caused many tragic losses in the various army camps and units scattered around the country. One such case is the "Paekkol" (Skull) Division of the Army which barracks are situated in Chorwon in Kangwon Province near the DMZ.

The Paekkol Division lost three men in a recent mudslide which demolished barracks situated next to a hill. As a result of the rain the Division is now completely isolated and those servicemen who were absent from barracks at the time of the rains have yet to be able to return to their posts.

Indicating the severity of the flash floods, one officer reported that due to the collapse of a number of hills in the vicinity the geography of the area changed so much that a new military map has to be drawn up.

42 km of road in 30 places and 20 bridges were destroyed. Barbed wire was also damaged and 2.4 km of the 18.2 km perimeter of the division's control sector has been cut off in 34 places. To prevent infiltration by the North, soldiers and officers are keeping a 24 hour watch in the exposed areas. It is estimated that it will take 2-3 months to repair the damage suffered by the Division.

ROK: Kim Yong-sam Tours Flood Damage in Munsan, Other Areas

SK3007114096 Seoul YONHAP in English 1123 GMT 30 Jul 96

[FBIS Transcribed Text] Seoul, July 30 (YONHAP) — President Kim Yong-sam, while touring flood-stricken areas, said Tuesday afternoon the government will provide all the assistance available by law to flood victims.

"Let us rehabilitate flood damage in concerted efforts and turn the disaster into an occasion to prepare better livelihood," President Kim said.

The president was touring Paju, Munsan, Yonchon and some military installations in the central frontline area.

Kim especially expressed grief at the death of a number of soldiers in flood-related accidents. "I am indescribably saddened at the death of those soldiers who died in accidents while defending the nation in the forefront," the president said.

President Kim advised military officers to take safety conditions into priority account when military installations are created.

ROK: Kim Yong-sam Tours Flood-Damaged Areas in Northern Kyonggi

SK3107112696 Seoul YONHAP in English 1104 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — President Kim Yong-sam toured flood-stricken areas in northern Kyonggi Province for the second straight day Wednesday.

The president encouraged those at rehabilitation work in Chorwon and Hwachon of Kangwon Province and some military installations in the east central frontline area.

After being briefed on the extent of flood damage at Chorwon and Hwachon offices, President Kim said he had already ordered the cabinet to extend all available assistance to the bereaved families of those killed in the flood and those who suffered property damage as well as to the rehabilitation of public facilities damaged.

At military installations, the president urged officers to use the disaster as an occasion to promote permanent anti-calamity programs.

ROK: Army Searches for 4 Tons of Ammunition Swept Away in Floods

SK3107025496 Seoul YONHAP in English 0249 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — The Army began searching Wednesday for four tons of ammunition that was lost during the floods which followed the torrential rains that hit the northern Kyonggi and northwestern Kangwon areas late last week.

The Defense Ministry said 860 tons of ammunition had either been buried by landslides or inundated by floods in the ammunition dumps located in the flood-stricken areas and that an additional four tons were believed to have been swept away from the dumps by the floods.

The lost ammunition includes 60mm and 155mm projectiles, hand grenades, land mines and small arms ammunition, and most of it is believed to have been swept into brooks in the Cholwon, Hwachon and Yonchon areas.

An army explosive ordnance disposal team is conducting the search operations.

There is no possibility that the lost ammunition will blow up because there are no fuses or detonators, the ministry said.

The Army is also checking the unconfirmed minefields in the demilitarized zone (DMZ) to find out whether mines have been carried away from these fields by floods. There have not been any reports of lost mines so far, according to the Army.

ROK: Yi Hoe-chang Favors Early Nomination of NKP Candidate

SK3107081896 Seoul YONHAP in English 0749 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — Yi Hoe-chang, permanent advisor of the ruling New Korea Party [NKP], indicated Wednesday that he is in favor of nominating the party's presidential candidate as soon as possible for the forthcoming presidential election late next year.

"We should consider the possibility that an early nomination of the party's presidential candidate might help us attain political stability," Yi said in an interview with the WEEKLY CHOSON [CHUGAN CHOSON] in the latest edition that hit the streets Wednesday.

Exactly when the opposition parties are going to announce their presidential candidates is another factor that should be taken into account, the former prime minister said.

On NKP Chairman Yi Hong-ku's assertion that the NKP's presidential candidate should be chosen next June or July, Yi said, "It is undesirable that discussions about the presidential nominee should erupt all of a sudden and become the center of political attention."

Yi disapproved of the party leadership's request that presidential hopefuls refrain from discussing the selection of a presidential candidate by asserting that, "It is unfeasible in a democratic society to suppress debate by applying external pressure."

It is entirely up to individuals to make certain decisions at a certain times and make them public, he added.

In reference to his call for an open contest for nominating a presidential candidate, Yi said, "A competitive selection process commensurate with democratic principles will foster the democratization of the party."

Yi cited a moral sense of values including a tenacious conviction about democracy, ability to create visions for the country's future path with a clear insight into the future, leadership and courage as qualities required of the next president.

"Steering the national administration on the basis of one's own moral criteria makes one prone to dogmatism," Yi reasoned.

Yi also discussed the current public mutiny and treason trial for former Presidents Chon Tu-hwan and No Tae-u and their cronies and the effort to to right past wrongs.

"Righting past wrongs does not call for negation and severance, but for a reassessment of history," he said. "We cannot deny or erase the era of two former presidents. It is inappropriate to mistake the public trial of two former presidents itself as a panacea to right past wrongs."

While discussing the reforms undertaken by the incumbent Kim Yong-sam administration, Yi approved of the "basic principles and direction," but added, "in the process of executing the reforms, however, there have been trials and errors giving rise to suspicions about fairness and truthfulness. They need to be rectified during the remaining term of the current administration."

ROK: Average National Assemblyman's Assets Reported

SK2807014996 (Internet) The Joong-Ang Ilbo WWW in English 28 Jul 96

[FBIS Transcribed Text] Assets held by National Assembly members amount to an average of 1.453 billion won. This does not include 14 lawmakers with assets in excess of 10 billion won including Rep. Kim Sok-won of the ruling New Korea Party who reported 133.4 billion won worth of property. If these members were included as well, the average assets of the 299 parliament members would amount to 3.299 billion won.

The average assets of the 137 newly elected National Assembly members were 1.246 billion won, about 207 million won less than the total average except for 8 whose total holdings exceeded 10 billion won.

These facts were revealed by the list of property holdings of the members of the 15th National Assembly released by the Assembly's Ethics Committee Saturday.

ROK: Inflation Rate in First 7 Months of 1996 Hits 4.2 Percent

SK3107065596 Seoul YONHAP in English 0629 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — Consumer prices rose 0.4 percent in July from the previous month, sending up the inflation rate, or the consumer price index, to 4.2 percent for the first seven months of the year, according to the Finance and Economy Ministry.

The seven-month inflation rate is up 0.8 percentage point from the 3.4 percent registered for the same period last year and only 0.3 percentage point below the government-set 4.5-percent target for the entire year.

In August, city bus fares will be increased in Inchon and Kyonggi Province and petroleum prices will be raised again nationwide because of the weakening won, making it unlikely that the annual inflation rate will fall within the government-set 4.5 percent target until the end of the year.

In July agricultural and marine product prices as a whole fell 0.4 percent, although cabbage and lettuce prices increased. The prices of manufactured products also fell 0.4 percent.

Utility prices, however, climbed 1.9 percent, petroleum prices soared 7 percent and rent and personal service fees edged up 0.2 percent each month.

The government will work to hold consumer price increases to the 4.5-percent level for the year, although there are circumstances that threaten this goal, said Kim Chong-sok, the Finance and Economy Ministry's inflation control officer.

Producer prices for July only inched up 0.8 percent since June.

Burma

Burma: Shan Rebels Ambush Rangoon Troops; 4 Killed, 9 Wounded

BK3107103796 (Internet) BurmaNet News in English 30 Jul 96

[Shan Herald Agency News Report]

[FBIS Transcribed Text] On 20-06-96, a group of SURA, Shan United Revolutionary Army, troops led by Maj. Murng Zern ambushed SLORC soldiers of no. 514 LIB [Light Infantry Battalion] south of Nam Ma Kung Sim village, Wan Zing ward, Ke-Hsi township. The fight lasted about 25 minutes. It happened after the Burmese soldiers had burned the houses of the villagers who had secretly tried to return to their former village of Kung Sim and when they — Burmese troops — were returning to Wan Zing. Four SLORC [State Law and Order Restoration Council] soldiers were killed and nine seriously injured.

On 28-06-96, SLORC no. 514 LIB, newly stationed at Wan Ter Tard, Nam Morng Nai, Wan Zing circle, Ke-Hsi township, central Shan State — a relocation place where people from Wan Zing circle, Murng Sorng circle, Murng Lerm circle had to gather, arrested eight former MTA [Mong Tai Army] soldiers and killed seven of them right away. After that they seized a woman who was guarding the road and killed her as well.

The seven men who were murdered were ex-MTA soldiers who had surrendered at Ho Mong, and Nam Larng under the command of Lt. Col. Khun Orng Thoon, and possesed the ID-cards issued to them by SLORC on their surrender. They had come back to live in their native village, but due to the forced relocation they had to move along with the rest of the villagers. The Burmese soldiers alleged that SURA group was calling back the former MTA men and some were being sent to get information and food for SURA.

The woman was accused of being an informer for SURA whose information led to the ambush in which SLORC troops suffered heavy casualties.

One of the eight men, of which seven had been killed, was being forced to lead in searching for surrendered MTA soldiers who had surrendering ID-cards and who had returned to their villages in the areas from Sai Mon ward down to Murng Sorng, Norng Tao, Murng Lerm in Ke-Hsi township.

After the incidents, the Burmese troops never allowed the people of Wan Zing, Murng Sorng, Norng Tao, Murng Lerm in Ke-Hsi township and Ton Hoong, Haai Laai in Nam Zarng to work their farms and fields. Furthermore, they burned houses, hay stacks, rice barns, and even little farm cottages or huts were not spared.

It is said that, for the time being, some desperate people who could no longer bear the brutalities in the relocation areas are encouraging SURA and other resistance forces to step up their fight against SLORC. "Fight and fight the Burmese soldiers. Don't think about the safety of the people. They have already been treated with utmost cruelty, their condition couldn't be worse", they would say.

On 04-07-96, SURA troops led by Capt. Zaai Leng clashed with SLORC no. 66 LIB on the motor-road near Nam Maw Khao Saen, between Nam Zarng and Kho Lam in Nam Zarng township. The fight lasted about half-an-hour and SLORC troops suffered some dead and wounded.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Views 29th ASEAN Ministerial Meeting

BK3007144296 Kuala Lumpur NEW STRAITS TIMES in English 29 Jul 96 p 12

[Editorial: "The Importance of Being ASEAN"]

[FBIS Transcribed Text] The annual Asean meetings have turned into the region's premier diplomatic platform. Started nearly three decades ago as a rather nervous attempt by newly-independent Southeast Asian nations to get used to one another, the association has broadened and deepened itself into a binding framework. The size and scope of the agenda for the 29th ministerial meeting and its related forums in Jakarta last week measure how seriously ASEAN is now taken by both the regional countries and the international community. Just about every issue of importance to the region and its relations with the outside world was covered under the groupings plethora of acronyms. One of the most prominent of these was the ARF—the annual ASEAN Regional Forum (ARF)—which has grown in stature after only three years on the diplomatic calender.

This organic growth has made it the talking shop par excellence for matters which might otherwise be shorn of any opportunity for diplomatic action. In its characteristically cautious and roundabout way, ASEAN has brought some sensitive and controvertial subjects into focus. In Jakarta, the subject of Myanmar [Burma] has been given a more thorough going-over than ever before. For once, the country was treated as something more than just an occasion for diplomatic posturing by the international community. It was given the chance to tell its own side of the story last week, as ASEAN close ranks against pressure from powerful dialogue partners to send it out on a limb. The ASEAN consensus in favour of "constructive engagement" had been based on its own failsafe internal dictum that help, support and advice must never be extended to the point of intrusiveness. ASEAN owes much of its success to its ability to take nothing away from members right to decide their own futures. For these reasons, Myanmar deserved regional membership whatever its internal politics. Wider-ranging discussion on that country also brought larger issues into sharper scrutiny. The wisdom of sanctions and international isolation was held in doubt after recent experience — indeed, they can harden "us-and-them" positions against succumbing to outside pressure and inflict suffering on innocent civilians rather than the targetted ruling classes. ASEAN's admission of Myanmar as an observer can help give that country the conditions under which democracy will no longer be decided by confrontation.

The ASEAN position on Myanmar has been the latest example of the hard-wearing consensus that lies at the groupings core. This unity of purpose has launched the ARF on its way into being the principal conduit for preventive diplomacy in the region. Engineered to stand for ASEAN non-alignment and non partisanship, the Forum has more than lived up to its diplomatic potential—the powers that affect regional security can talk shop not only with ASEAN members but also among themselves. Although the great value of ASEAN diplomacy cannot be gainsaid, it is not yet a team of equals, in which regional and mutual interests are inseparable from national ones. Indonesia, this year's host, has taken note of how far Cambodia and Laos are from the levels of economic and institutional development that merit full and active membership. They must be helped. ASEAN's image as a positive-sum game for all, rather than merely a way for members to seek safety numbers, is critical to its long-term relevance and staying power.

Malaysia: Austria's Vranitzky Meets Mahathir on Trade, Bosnia

AU3107134096 Vienna WIENER ZEITUNG in German 31 Jul 96 p 1

[Unattributed report: "Vranitzky Campaigns for Billion-Schilling Orders"]

[FBIS Translated Text] Kuala Lumpur — The deepening of economic cooperation and the situation in Bosnia were in the center of talks between Austrian Chancellor Franz Vranitzky and Malaysian Prime Minister Mohamed Mahathir in the Malaysian capital Kuala Lumpur on 30 July. Following his talks with Mahathir, Vranitzky said Austria could expect good business opportunities in Malaysia, because the Southeast Asian "tiger state" was moving away from labor-intensive production and was turning to capital-intensive production.

In order to be able to take future cooperation opportunities, both sides have agreed to push joint ventures, technology transfer, and third-country activities.

For instance, the Austrian Mint, a subsidiary of the Austrian National Bank, together with a local partner will set up a minting facility in Malaysia in the scope of a joint venture, in which 45 million schillings will be invested.

On the whole, the representatives of the three dozen Austrian firms who are accompanying Vranitzky on his official visit are hoping to receive new orders worth 6-7 billion Austrian schillings [AS]. According to Health Minister Christa Krammer, VOeSt Alpine Medical Technology (Vamed) will set up in Malaysia a 1,000-bed hospital, which will then be Southeast Asia's largest hospital. In addition, a AS300 million order has been placed with the Vienna-based AME Company for a "paperless operation" of this hospital, which is to be completed by the end of 1998. The VOeSt Alpine technology subsidiaries Elin Energy Application (EEA) and Elin Energy Supply, which according to Finance Minister Viktor Klima already have invested AS1.5 billion in Malaysia, have now signed another cooperation contract.

For the forest management area, Vranitzky submitted to the Malaysian Government an Austrian offer covering joint scientific projects at Austrian universities and postgraduate scholarships. As launching capital, AS500,000 are envisaged. According to Malaysian reports, Austria exported goods and services worth AS1.2 billion to Malaysia in 1995, while importing goods worth AS650 million.

Vranitzky welcomed Malaysia's continuous commitment in Bosnia in connection with the reconstruction of the Balkan country which has suffered from many years of war. Vranitzky stressed it was necessary to reconstruct the infrastructure to allow the Bosnian refugees living in Austria to return to their home country.

There was far-reaching agreement on the issue of a reform of the United Nations. Vranitzky said Malaysia was highly interested in this issue and rejected the current veto right of the permanent members in the Security Council. Austria for its part advocated the admittance of the Federal Republic of Germany and Japan into the circle of permanent members, Vranitzky said.

Malaysia: Mahathir Courts Austrian High-Tech for Industrialization

BK3107125496 Kuala Lumpur THE STAR in English 31 Jul 96

[BERNAMA report — receive? via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Austria, given its leadership in certain areas of technology, can provide vital input towards Malaysia's industrialisation goals, Datuk Sri Dr Mahathir Mohamed said last night.

"Malaysia is currently entering a phase that emphasises capital- intensive and high-technology industries and it is of particular interest to the Malaysian Government that Austrians avail themselves of the opportunities in this area," he said at an official dinner for Austrian Chancellor Dr Franz Vranitzky at Sri Perdana [prime minister's residence] here.

He said Austria was also welcome to participate in infrastructure projects in the buoyant Malaysian and South-east Asian growth area.

On the dramatic geopolitical developments in central and eastern Europe, Dr Mahathir said Malaysia appreciated the leading role that Austria had played in extending assistance to those countries making a transition to the market economy system.

"Clearly, Austria's quiet efforts to ensure political stability and a smooth economic transformation have contributed to the steady progress and development of these countries," the Prime Minister said.

Dr Mahathir also complimented Austria for its integration into the world economic system which he said had progressed well and indirectly benefited Malaysia.

He said Austria, which had emerged as a natural springboard to the emerging markets of central and eastern Europe, should use Malaysia's strategic geographical advantages to complement its economic objectives in this part of the world.

Austria's experience in regional co-operation through the Danube could be a relevant model for ASEAN's Mekong Basin plan since both the Danube and the Mekong were significant waterways of the respective regions.

Dr Mahathir also hoped that Austria could help in assisting Bosnia-Herzegovina in its reconstruction efforts.

"I trust that what Malaysia could do from afar, Austria could do better because of its geographical proximity," he added.

Dr Vranitzky and his 25-member delegation, comprising senior ministers, government officials and businessmen, arrived here yesterday for a four-day official visit.

Malaysia: Mahathir, Austria's Vranitzky Agree To Boost Trade

BK3107130996 Kuala Lumpur THE STAR in English 31 Jul 96

[Report by Mergawati Zulfakar — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Austria has offered scholarships to Malaysians and proposed the exchange of experts in the field of sustainable rain forest management.

The offer was made by visiting Austrian Chancellor Dr Franz Vranitzky to Prime Minister Datuk Sri Dr Mahathir Mohamed during bilateral talks yesterday. It was accepted.

The offer would enable Malaysians to do post-graduate studies and research and scientific development activities.

Foreign Minister Datuk Abdullah Ahmad Badawi told reporters after the one-hour meeting that the grant amounted to 500,000 Austrian schillings (RM [Malaysian ringgit] 125,000).

Dr Vranitzky, who is leading a 70-member delegation including ministers and businessmen, is on his first official visit to Malaysia.

During the talks, both leaders agreed that bilateral trade which was currently minimal should be increased.

"Annual trade amounted to less than RM200 million. Austria has expressed interest to co-operate in the small and medium-scale industries," Abdullah added.

They also touched on the situation in Bosnia-Herzegovina, expressing concern on the problem that might arise once the International Forces (IFOR) withdrew from that country.

"Dr Mahathir informed Dr Vranitzky that Malaysia is assisting on the plan to increase Bosnian military capability since the Serbs, who have a stronger military, may take advantage once IFOR leaves.

"Both leaders felt that if the situation warrants IFOR to stay on, perhaps a certain number of personnel should be retained," he said.

The two leaders also witnessed the signing of an agreement and four memoranda of understanding between Malaysian and Austrian companies.

An agreement for management of medical equipment and hospital information services for the new Selayang Hospital was signed between AME Beteiligungs und Handelages mbH and Radicare (M) Sdn Bhd [private limited].

Malaysia: Austria's Vranitzky Rejects U.S. Helms-Burton Act

AU3107113396 Vienna Oesterreich Eins Radio Network in German 1000 GMT 31 Jul 96

[FBIS Translated Text] Malaysia — Austrian Chancellor Franz Vranitzky has criticized the punitive sanctions demanded by the United States against countries that are believed to support terrorism. On the second day of his official visit to Malaysia, Vranitzky stressed that Austria would not yield to U.S. pressure in this issue. Austria did not consider countries like Libya, Iran, or Cuba enemies. He also rejected the right claimed by the United States to punish European firms for doing business with Cuba and Iran.

The U.S. position has also been rejected by the European Union [EU] Commission. The EU foreign ministers will probably decide on this issue in September.

Malaysia: Mahathir Speaks on Workers Role in Economic Progress

BK3107133796 Kuala Lumpur NEW STRAITS TIMES in English 30 Jul 96 pp 1, 4

[Report by Saitul Azhar Abdullah and K. Bala]

[FBIS Transcribed Text] LANGKAWI, Mon. — Prime Minister Datuk Seri Dr Mahathir Mohamed said today that Malaysia will be able to develop even faster if only the trade unions can synchronise their attitude to blend with the Malaysia Incorporated concept of close co-operation among civil servants, businessmen and politicians.

Describing trade unions as the "missing partner" in the highly successful story of Malaysia Incorporated that has resulted in spectacular economic growth, he said the trade union view was short term with the most important consideration for them being the pay.

"There is only one thing regrettable about Malaysia Incorporated. One partner is missing. The trade unions and the workers are not conscious partners," he said when opening the second Langkawi International Dialogue at the Berjaya Langkawi Beach Resort tonight.

Dr Mahathir said it cannot be said that Malaysia Incorporated has not benefited them. It has.

Unemployment is practically nil now and wages and perks have gone up for the workers. Such is the demand for labour resulting in part, at least from the employment of the Malaysia Incorporated concept that workers now choose their employers and not the other way round," he said.

He said if the unions abandon their traditional stance of unreasonable demands "Malaysia will truly be unbeatable".

The Prime Minister said with close co-operation from the workers towards the Malaysia Incorporated concept, the nation "will grow and prosper even faster and everyone will have bigger slices of the expanding economic cake including the workers.

The dialogue at the Berjaya Langkawi Beach Resort as attended by several heads of Government and some 250 top international and local corporate leaders.

In his hour-long keynote address, Dr Mahathir, who described the Malaysian economic success as an example of a smart partnership, traced the trials and tribulations faced by the nation in its quest for economic success from independence until it struck the right formula.

The Prime Minister, who recalled objections from civil servants during the early days, including allegations of corruption by politicians, towards the Malaysia Incorporated policy, said the people now realised the benefits.

Dr Mahathir said international trade unionists dislike to see co- operation between workers and with their "avowed enemies", the employers.

"Their idea of helping the workers earn more is through confrontation and industrial action.

"To work with their employers through the Malaysia Incorporated concept would be to undermine the will to make unreasonable demands and establish a bargaining position," he added.

Dr Mahathir said the unions acted on the basis of strength and the threat to do damage otherwise.

"The Malaysia Incorporated approach is through mutual help in order to succeed in whatever we are doing. The sharing comes later, when profits are made.

"In the trade union creed, demands must be met first and the funds must come not because of greater profit through productivity but simply through making the end users or the consumers pay more. "The trade union view is short term. The most important thing is the pay rise. That the rise may result in costs going up and consequently prices and loss of competitiveness sales and profitability, is not a matter of concern.

"If inflation erodes purchasing power, that too can be easily resolved by increases in pay, never mind the spiralling prices," he added.

He said this mindset prevented close cooperation in the Malaysia Incorporated spirit.

Despite the success of the policy, Dr Mahathir said the detractors were not willing to acknowledge it.

"They had condemned it along with privatisation and so they must insist although the co-operation between the civil servants, businessmen and politicians under the concept appears to be delivering results, actually it did not, it is only coincidental, an accident, the result of corruption on the part of the politician especially the Ministers more so the Prime Minister."

Dr Mahathir said any businessman who succeeded was described in lurid terms as having done so because he was a friend of the Prime Minister.

"That in Malaysia very many who do not know the Prime Minister also succeed is ignored.

"That many who were close or even related to the Prime Minister have never succeeded, have remained as poor as the proverbial church mouse, never gets any publicity.

"Friendship or closeness to the Prime Minister is made out to be the sole reason for business success for Malaysia.

"Without directly saying the Prime Minister, the detractors manage to imply that the Prime Minister is corrupt," he said.

Dr Mahathir added that corruption was more likely when civil servants keep away from businessmen and tie up everything in red tape.

Singapore

Singapore: Editorial Views Long-Term Effect of Jakarta Riot

BK3107054996 Singapore THE STRAITS TIMES in English 31 Jul 96

[Editorial: "More Important Than Megawati" — received via Internet]

[FBIS Transcribed Text] That calm has returned to Jakarta will be greeted with relief not only by most Indonesians, but also by Indonesia's friends in the region and beyond. Nothing was ever gained by violence, and the rioting that gripped Jakarta over the weekend, destroying property and taking tragic toll of life, cannot be condemned too strongly. No matter how worthy a cause, it loses all credibility if its champions resort to lawlessness. In Indonesia, the disturbances might have affected 30 years of patient planning during which, largely due to President Suharto's wise policies and firm rule, nearly 200 million people have enjoyed political stability and economic prosperity. These are not gains to be thrown away recklessly, and those who threaten them can lay no claim to popular sympathy.

Noteworthy in this context, Ms Megawati Sukarnoputri, who is in the eye of the storm, gave a wide berth to the scene of rioting, and was quick to deplore what she described, rightly, as "this tragedy". In fact, she had set an example even earlier by declaring over and over again that she placed her faith only in the judiciary. As a member of parliament since 1987, having been elected chairman of the Indonesian Democracy Party (PDI) in 1993, and, of course, being the daughter of the man who was revered as Indonesia's founding father, she could hardly do less.

However, far more than her personal career, or even the PDI's leadership, hangs in the balance. What might be at stake are the underpinnings of Indonesian society, which is why this is one situation in which justice must not only be done, but seen to be done as well.

As for speculation about this eruption of violence, the like of which had not been seen in Indonesia since 1974, there is no end to plausible explanations. Gossip and rumors about the parliamentary and presidential elections scheduled for 1997 and 1998 feed on reports of personal and political conflict, spiced by allegations of official complicity, and even of a split within the government and the armed forces over how to handle the crisis. Gripping though all this might be, conspiracy theories have little bearing on the larger picture of a society in transition, in which the beneficiaries of the economic revolution might now be looking for the attendant bonus of a plural polity. This is the challenge of the long term. For, no matter what the circumstances of Ms. Megawati's ouster as PDI chairman — and this is something that only the law courts can pronounce on — the point remains that she became a symbol, a rallying point, as it were, for a whole spectrum of opinion, apparently including extremist and disaffected elements as well, for whom Foreign Minister Ali Alatas' promise that Indonesia's next election will be "free and open" may not be enough.

Nor can the economic dimension be ignored. If the crisis demonstrated how quickly the rupiah's international value can plummet, it also warned of the need to ensure that rapid economic growth creates equal opportunities for all. Not all the 17,500 islands are doing as well; not everyone is satisfied with the level of wages and labor rights. The involvement of "third parties" and of students' organizations speaks of frustration. So does the reported arson and looting by slum dwellers. It may have been significant that they singled out government banks while taking care to spare private property: the latter, presumably, is a symbol of what Indonesia's poor still hope to achieve, the former of what they feel deprived of.

Of course, too much can be made of these rough and ready interpretations, and even of the anecdotes that inspire them. But only when there is a groundswell of discontent of some kind or other can a well-ordered society be rocked by disturbances as happened in Jakarta. It is for the courts to uphold the rule of law in the PDI leadership tussle by bringing to light all the facts. If they cannot do so, no one else can. But it is for the government, which is at one with Ms. Megawati in admitting that the unrest went beyond the party struggle that sparked it off, to take serious note of the cause and effect of this phenomenon. The long-term implications of the upsurge demand attention.

Indonesia

Indonesia: Daily Criticizes Atlanta Bombing, Tarnishing of Games

BK3107151696 Jakarta SUARA PEMBARUAN in Indonesian 30 Jul 96

[Editorial: "Bomb Blast at Atlanta Olympics" — received via Internet]

[FBIS Translated Text] A bomb exploded at Centennial Park in Atlanta on Friday (26 July 1996) at 0120 local time — Saturday at 1220 West Indonesian Time [0530 GMT]. This park became the center of festivities whene the Olympic Games began there on 19 June. It is at this park that the various competitions are to be held.

The park had been dazzlingly decorated, so that it became a center of festivities, attracting visitors not only from Atlanta — residents and American citizens — but also from foreign countries. The park has really functioned as an entertainment arena. Those who who failed to get tickets to watch a sports competition can spend their time there until late at night. There are many attractions, exhibits and souvenirs for sale. In fact, on holidays, the activities at the park would go on all night.

The press headquarters for coverage of the Olympic Games is located next to the Olympic Park. Just a few steps away, some 11,000 journalists from the printed and electronic media, gaze day and night at the reports to be disseminated all over the world. The MPN (Main Press Center) [preceding three words in English] is the working place for photojournalists and printed media journalists. The IBC (International Broadcast Center) was purposely placed next to the Olympic Park, strategically positioned in the center of the city. Surely, this was taken into consideration to allow journalists to do their job with ease.

The park was crowded with revelers celebrating a free, open-air concert when the bomb went off. Due to the fact that the next day was a public holiday, that Friday night was supposed to be a long night of festivities.

Reports said that two people were killed in the blast and 111 others injured in the ensuing stampede. It was not yet known who perpetrated the explosion. Perhaps, the group did not want the Olympic Games to proceed smoothly. Certain parties intended to spoil the image of the U.S. Administration and people. It was not clear whether or not the Atlanta blast was related to the perpetrators of the Oklahoma bombing some time ago, or to other bombings that were related to the superpower.

The attackers obviously wanted to damage the United States' image as the host of the Olympic Games in the eyes of guests from 196 countries.

Being the host, the U.S. Administration, through the deployment of security forces in Atlanta, had managed to apply tight security measures in the area. Security protection was provided to people involved in the Olympic Games as soon as they arrived at the airport, the main entrance to the city. There was tight security everywhere, and on everyone who wanted to enter the competition hall, as well as in certain places connected with the olympic activities. The athletes and officials were given a very sterile [preceding word in English] place. Everyone who wished to enter the athletes' village would get their fingerprints examined with a special device. At certain strategic places, armed security forces were posted. Even at the Olympic Park, where the explosion occurred, security officials always patrol the area, sometimes on horseback or accompanied by sniffing dogs. However, it seems the security officials had missed something; their hard work was tarnished by the act of terror.

The attack in Atlanta reminded the people of the incident at the 1972 Olympics in Munich, Germany. Twenty-four years ago, the group calling itself "Black September" attacked two Israeli athletes, and nine other people died during the night of the exchange of fire with security officials. Since then there had been no incidents of bloodshed, even though the Olympic Games were always marked by political issues.

Now, the 100th Olympics, which was expected to set a record as a sports festival, has become horrifying, and disgraceful. At the very least, it was a slap in the face and a blow to the security officials who worked hard for the sake of everybody's safety: athletes, officials and spectators.

Whatever the motives were, we continue to criticize the bombing. The Olympic Games have noble goals: not only to escalate healthy competition in the sports arena but also to foster friendship and brotherhood among nations through sports. Indeed, sports have thus far frequently been used by many countries as political propaganda to attract the attention of the international community, causing values of sportmanship to fade. What hurts even more is that the Olympics have been tarnished while taking place in the United States, a country of sophistication in almost all fields. We hope that the superpower will be able to discover and reveal who was behind the bombing.

Indonesia: Opposition Leader Issues Press Statement 29 Jul

BK3107044796 (Internet) INDONESIA Listserv in English 30 Jul 96

[Press Statement issued by Megawati Sukarnoputri in Jakarta on 29 July]

[FBIS Transcribed Text] Dear fellow citizens,

1. I deeply regret all the violence and damage that occurred on 27 July 1996.

2. I call upon the entire Indonesian people, leaders of civilian and armed forces organisations as well as religious leaders, to protect order and security based on the law and the constitution, in order to preserve the unity of the nation.

3. In order to achieve this, I call upon the entire people of Indonesia, leaders of civilian and armed forces organisations, as well as religious leaders, to ponder over what happened and to study the primary causes for all the damage that occurred.

4. I want to convey my heartfelt condolences to the families of the victims who have died. I wish all those who have sustained injuries a speedy recovery.

5. I wish to assure all those whose relatives are still unaccounted for and whose whereabouts are still unknown that I, together with the Indonesian Legal Aid Foundation, am doing everything possible to obtain accurate information.

6. The Indonesian Democratic Party under the leadership of Megawati Sukarnoputri fully respects actions based on the law and the Constitution. We strongly denounce all actions taken in violation of the law, and the use of force, based on violence and power, all of which has led to casualties and has lowered the prestige of the Indonesian people.

Jakarta, 29 July 1996

[Signed] Megawati Sukarnoputri

Indonesia: Military Told To 'Shoot on Sight' if Necessary

BK3107031796 Jakarta THE JAKARTA POST in English 31 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] JAKARTA (JP): The Armed Forces (ABRI) warned yesterday that it would not hesitate to use force in quelling future disturbances similar to those which rocked Jakarta over the weekend.

ABRI Chief of Sociopolitical Affairs Lt. Gen. Syarwan Hamid said troopers had a standing order not to open fire when dealing with the rioters last weekend. However, he hinted that the order could be withdrawn if the violence persists.

"Don't try us again," Syarwan said during a meeting at the Ministry of Information that gathered editors from all the newspapers and broadcasting companies.

Separately, Maj. Gen. Sutiyoso, the chief of the Jakarta Regional Military Command, said he would order his soldiers to shoot on sight at the first sign of things getting out of control.

"The order to shoot on the spot will be given if they (troublemakers) renew their efforts to disrupt peace and order at the expense of the general interest of the public.

"We have our limit of tolerance, he was quoted by ANTARA as saying. Every security forces member in the field is now carrying firearms in anticipation of spreading violence, he added.

Syarwan said the unrest was the work of the Democratic People's Party (PRD), riding on the back of the leadership conflict within the Indonesian Democratic Party (PDI).

"This is no longer a question of the conflict between Surjadi and Megawati (Sukarnoputri), " he said of the two bickering PDI leaders.

"This is an uprising " he said, adding that some of the PRD members were trained in the Philippines.

The PRD, founded in 1994, has been blamed for many antigovernment protests and labor strikes in the past year.

Police yesterday raided the PRD headquarters in the Tebet district in South Jakarta only to find it empty.

President Suharto on Monday said that PRD is "synonymous" with PKI, the Indonesian Communist Party banned in 1966 after it was blamed for staging a coup a year earlier.

Asked about the strength of the PRD, Syarwan said it was still too small to stage an uprising. "It is a thorn in the flesh and we have to get rid of it. If it is allowed to continue it will stage a coup d'etat.

He said the 200 or so people held for questioning after the riots were "small worms" and the authorities are going after the masterminds, or the "intellectual" figures, behind the flare-up.

He cited Budiman Sujatmiko, the PRD chairman, as one of the figures the authorities were looking for.

Budiman in an interview with GATRA magazine last week stressed that the PRD's ideology is "people's social democracy". If the authorities see similarities with the PRI, he said, that is only because the PRD follows a conventional party structure and not because it is a copycat of the PKI.

Syarwan said an order had been issued to all regional military commands to stop the activities of the PRD.

In Surabaya, the military has closed down the PRD office and declared its activities in the East Java province illegal

Jakarta Police Chief Maj Gen. Hamami Nata said yesterday that he had asked for President Suharto's permission to question Megawati and Surjadi in connection with the violence.

Both Megawati and Surjadi enjoy privileges in their capacities as members of the House of Representatives. Any questioning by the police must have the consent of the President.

Pressure is mounting from some politicians and organizations to pin the blame for the unrest on Megawati because she allowed the free-speech forum sessions to take place at the PDI headquarters when it was under her control.

The forum had been used by Megawati's supporters and activists to attack the government. The not followed the forced takeover of the headquarters by Surjadi's supporters on Saturday morning.

Hamami said police have formally issued arrest warrants for 120 people with charges ranging from rebellion and arson to destruction of property. Police were still questioning 120 others yesterday.

Another body was found yesterday inside Bank Kesawan, one of several office buildings razed in Saturday's rampage. Workers found an ID card with the name of Suganda Siahaan of Pematang Siantar, North Sumatra, on the badly charred body.

The military said two people were killed in Saturday's riots: one a security guard who jumped from the seventh floor of a bank building on fire, the other a protester who died of a heart attack. Police declined to comment on the finding of a third body.

The weekend flare up was also the main topic at the monthly cabinet meeting to review the security situation in the country.

Coordinating Minister for Political Affairs and Security Susilo Sudarman said after the meeting that the PRD and similar organizations are clearly opposed to the New Order.

"We appeal to everyone for restraint and to not be influenced by irresponsible rumors that try to discredit the New Order," he said.

Indonesia: Police Arrest Workers Union Chairman Over Riots

BK3107015996 Hong Kong AFP in English
0153 GMT 31 Jul 96

[FBIS Transcribed Text] July 31 (AFP) — Mochtar Prakpahan, the general chairman of the Indonesian Prosperous Workers Union, was arrested overnight in connection with Jakarta's worst riots in more than 20 years at the weekend, the union announced Wednesday.

Prakpahan, a figure in Indonesia's independent labor movement, was arrested late Tuesday by six officers from the attorney general's office, the union said in a statement.

"We have not heard from him since and are concerned for his well being," the statement said, adding the arrest was connected "to the ev?nt of 26 and 27 July."

Riots broke out in Jakarta at the weekend after police an a government-backed rebel faction of the opposition Indonesian Democracy Party seized party headquarters from ousted leader Megawati Sukarnoputri.

Indonesia: Bomb Scares Continue; Military Denies Imposing Curfew

BK3107053896 Jakarta KOMPAS in English
31 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Jakarta, Kompas Online — Military Commander Major General Sutiyoso of the Regional Security Coordinating Body has issued a command to shoot troublemakers on the spot. The order was given in the wake of Saturday's violent riots which rocked Jakarta. [passage omitted]

On Tuesday, bomb scares continued throughout the city. Many shopping districts seemed quiet as workers were told to go home after bomb threats were received via telephone.

In Surabaya, the military are also out in force in efforts to prevent the riots and other disturbances.

Jakarta's Chief of Police Abubakar Nataprawira and West Jakarta's Chief of Police Andi Chaerudin revealed that among the buildings which received bomb threats were the Sari Pacific Hotel, Hotel Borobudur, the Manggala Wanabakti building, and the Bank Dagang Negara [State Commercial Bank] building. All threats were unsubstantiated.

Most places around the city were calm. There was, however, temporary unrest when youths threw stones at a shop in Pasar Baru at about 11 am.

Sutiyoso stressed the situation in Jakarta was safe and under control. He also denied reports of a curfew after the events of July 27 when riots broke out in reaction to the military takeover of the PDI [Indonesian Democratic Party] headquarters.

Brigadier General Susilo Bambang Yudhono said that a circular, warning people to be at home by 1800 and explaining that certain protocol roads would be blocked, was false. The circular was issued in the name of The Temporary Security Council of Jakarta .

In regards to the spate of bomb threats, Sutiyoso said, they don't have the ability to make a high capacity, dangerous bombs — at most a molotov bomb which all people can put together.

Sutiyoso added the bomb threats were a tactic adopted to create anxiety and fear and reduce the public's trust in security forces.

Jakarta's Governor Suryadi Sudirja told the public not to be influenced by the bomb threats and not to be restless. Indeed this is the aim of terrorists to disturb the public so work productivity declines, he said.

Indonesia: PRD Raid PDI HQ; 60 PRD Members Trained in Philippines

BK3107115196 Jakarta REPUBLIKA in Indonesian 31 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, 30 Jul — One day after the PRD (Democratic People's Party) was said to be the perpetrator of the riots at the PDI [Indonesian Democratic Party] headquarters, security forces raided the PDI headquarters in Tebet, South Jakarta at 1400 yesterday (30 July).

A team of security personnel from a unit of the Jaya Metropolitan Police Central Investigation Operating Base, Jaya Military Area Command and intelligence division of the Attorney General's office raided a rented house which was being used as the PRD headqaurters at noon. Led by Major (police) Bambang Setiawan, chief of staff of the Central Investigation Operation Base, the team did not find any PRD members there. They only found a stack of bundles at the abandoned house No. 30, Jalan [road], Gang [alley] Z, RT [neighborhood association] 05/RW [administrative unit] 08.

Mokhtar, leader of the local RT, said the occupants were registered as I. Gusti Agung Anom Astika, Suroso, Imron Rosyid, and Petrus Haryanto (PRD secretary general). The lease for the house will expire on 17 August 1996. However, they no longer stayed there since Sunday (28 July). "It was true that foreigners often visited the house. Occasionally, a group of four or five persons came and left, one after another," Mokhtar added.

Meanwhile, in Surabaya yesterday, Major General Imam Utomo, commander of the Brawijaya fifth Military Region Command, issued a prohibition against all forms of activities by the local PRD division. Maj. Gen. Imam, who is also the chief of East Java Coordinating Agency for the national Stability has ordered security forces to close down the PRD secretariat at no. 22 Jalan Kedung Tarukan Lama II, Suarabaya, near the Airlangga University campus.

The PRD secretariat in Surabaya is also rented premises. Its rent is 1 million rupiah per annum, and it is located in a village with narrow alleys. The occupants left the house at about 1000 yesterday morning. "The youths, most of them sporting long hair, said they were going to Jalan Pandegiling (East Java's PDI office according to Sucipto's version)," a neighbor said.

The doors of the house were pasted with stickers of PRD mentor organization such as the SMID (Indonesian Students Solidarity for Democracy, STN (National Farmers Union), and stickers pledging support for Megawati. The sitting room looked dark. The house, which was painted with a dull color, had a telephone and facsimile machine. This was the house where Imam Syafii — SMID activitist — used to receive treatment when he had a mysterious illness.

Knowing that the PRD headquarters had been vacated, Lieutenant General Syarwan Hamid, chief of ABRI [Republic of Indonesia Armed Forces] sociopolitical affairs, reaffirmed that this was proof that the organization had been behind the riots at the PDI headquarters.

Maj. Gen. Imam said actually, there were only a few PRD members in East Java. The members of SMID in Suarabaya was only 70. However, he admitted that they were "radicals and very militant". The general said there was a labor demonstration on 8 July before the PRD activities in Surabaya. Mohamed Sholeh, leader of the East Java PRD and 13 other members were arrested for staging the demonstration. They are now in the process of a court trail," he said.

Several residents of Kedung Tarukan Lama II village, said the house had been used as the headquarters of the Surabaya branch of the PRD and throughout June, many youths held meetings there till it was late. "I am not sure about the total number of the youths. In the beginning, the house was only occupied by six persons," a resident said.

Meanwhile, Lt. Gen. Syarwan Hamid says that currently ABRI is hunting for the members of PRD and all its factions. "We will certainly find them. The faster we catch them the better," ANTARA news agency quoted him as saying, following a routine meeting with editors of the mass media in Jakarta yesterday. Police are able to confirm the warrant of arrest.

The involvement of the PRD in the PDI riots was the main agenda at the coordinated meeting on politics and security. Susilo Sudarman, coordinating minister for politics and security said: "The meeting today, among other things, discussed the legal action to be taken." He said the government will hunt for the perpetrator, those who are directly and indirectly involved in the riots.

Susilo said there were indications that the PRD members were a group of leftist radicals similar to the PKI [Indonesian Communist Party]. "Look at its symbol," Susilo said while pointing to the PRD symbol. "This looks like the symbol used by the SOBSI [All Indonesia Federation Trade Organizations] (labor organization affiliated to the PKI — ed)." Susilo said while showing the star and jagged-edged sickle symbol.

The coordinating minister for politics and security raised other evidence to support the suspicion that the PRD are leftists. As an illustration, the minister read the principles of the PRD and its political manifesto. The Pancasila state ideology and the 1945 Constitution were not mentioned at all in its political manifesto.

In relation to the riots, the government held a meeting at the Department of Home Affairs with 78 leaders of social organizations in Indonesia. The chief of ABRI sociopolitical Affairs; Sutojo NK, Home Affairs Department's director general of sociopolitical affairs; M. Syarif, political assistant to coordinating minister for politics and security were government representatives at the meeting. Again, Syarwan had stressed the PRD's involvement in the riots.

Syarwan also explained about the similarities between PRD with the PKI in the way that Susilo did. In fact, this organization does not consider East Timor as a part of Indonesia. Sutojo said, "There are 60 PRD activists who had specially studied about people's power [precedent two words in English] in the Philippines." He did not say when that took place. He said that to date, the organization had not been registered with the Department of Home affairs as a social organization or a NGO [nongovernmental organization]. [passage omitted on reactions from mass organizations complying with Susilo and Syarwan's presentations]

Indonesia: Demonstrators Gathering Near PDI Office in Jakarta

BK3107005896 Hong Kong AFP in English 0045 GMT 31 Jul 96

[FBIS Transcribed Text] JAKARTA, July 31 (AFP) — Demonstrators began assembling Wednesday morning in the center of Jakarta near the headquarters of the opposition Indonesian Democracy Party (PDI), seized by police on Saturday in an action that sparked major riots.

Security forces did not immediately intervene but traffic was blocked in the area. Jakarta's military commander Tuesday ordered troops to shoot troublemakers "on the spot" to curb any further unrest.

Police and a rebel PDI faction seized the headquarters Saturday from supporters of Megawati Sukarnoputri, who was ousted as head of the party by the government-backed rebel faction.

The seizure led to the worst riots in Jakarta in more than 20 years.

Indonesia: Security Forces Arrive at PDI Headquarters

BK3107020196 Hong Kong AFP in English 0148 GMT 31 Jul 96

[FBIS Transcribed Text] JAKARTA, July 31 (AFP) — Police closed off the area around the opposition Indonesian Democracy Party (PDI) headquarters Wednesday after demonstrators began gathering in the area where major riots broke out at the weekend, witnesses said.

The demonstrators began gathering at dawn in the streets around the building in central Jakarta, seized from supporters of ousted opposition leader Megawati

Sukarnoputri Saturday by police and a government-backed rebel PDI faction.

Police reinforcements in armored vehicles soon followed, said an AFP reporter at the scene.

The demonstrators sang patriotic songs an chanted anti-government slogans.

"We came because we've learned something was going to happen," one of the demonstrators told AFP.

Security forces did not immediately intervene. Jakarta's military commander Tuesday ordered troops to shoot troublemakers "on the spot" to curb any further unrest.

Police and a rebel PDI faction seized the headquarters Saturday from supporters of Megawati Sukarnoputri, who was ousted as head of the party by the government-backed rebel faction.

The seizure led to the worst riots in Jakarta in more than 20 years. At least three people were killed and about 20 injured, while more than 200 were detained by police.

Indonesia: Minister Says 'Shoot on Sight' Order 'A Warning'

BK3107131796 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 31 Jul 96

[FBIS Translated Text] Minister of Justice Otoyo Usaman has said that the order to shoot on sight any troublemakers if they continue to cause disturbances can be carried out. This is because there is a universally known priciciple called the subjective right of the nation, and the right of the people to protect their subjective interests, culture, security and order.

Minister Otoyo said this to journalists in Jakarta today when commenting on the security measures taken by the chief of the Jakarta Coordinating Agency for the National Stability in anticipation of further rioting in the city.

Adding, the minister said the measures were aimed at preventing the people from suffering losses and to maintain order in society so that there would be no anarchy. Due to this, the order should be viewed as a warning.

Indonesian Officer: Jakarta 'Fully Under Control'

BK3107071796 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 31 Jul 96

[FBIS Translated Text] Lieutenant General Syarwan Hamid, chief of ABRI [Armed Forces of the Republic of Indonesia] Sociopolitical Affairs, says the situation in Jakarta is fully under control. He added the PRD [Democratic People's Party] is in fact not that powerful and that its leaders will be arrested, interrogated, and tried in court. Lt. Gen. Syarwan Hamid made the remarks to local and foreign journalists at the Defense and Security Department in Jakarta today. He also hoped that the general situation would soon return to normal.

He noted that the mass rioting and bomb threats revealed systematic efforts to topple the New Order and revive the Old Order. The issue now is no longer the dispute between Megawati and Suryadi, but instead it is the clear efforts to topple the New Order and revive the Old Order. ABRI, in fact, gave an early warning on the emergence of the communist threat six or seven months ago, but few people understood it.

Indonesian Religious Official: Over 100 Died in Jakarta Riots

LD3107082696 Melbourne Radio Australia in English 0700 GMT 31 Jul 96

[FBIS Transcribed Excerpt] The head of the biggest Muslim organization in Indonesia says he believes more than 100 people died in riots in Jakarta at the weekend [27th-28th July]. Abdurrahman Wahid, the chairman of the Muslim Council of Scholars, made the claim in an interview with Radio Australia. Mr. Wahid said he had instructed members of the council to go onto the streets of Jakarta to see how many people had died. He said that as a result, he knew of more than 100 fatalities. The official death toll in the riots remains at three, but the opposition Indonesian Democratic Party, or PDI, says more than 150 of its members are missing. The PDI says the missing people are in addition to those still in detention, who number more than 200.

In another development, Indonesian police have asked President Suharto for permission to question people who recently addressed gatherings of supporters of the deposed leader of the PDI [Megawati Sukarnoputri]. A spokesman said police wanted to question six people who addressed the so-called political free speech forum, held outside the headquarters of the PDI in Jakarta. He declined to identify the six, but the AFP news agency points out that the president's permission is required to question members of parliament. [passage omitted]

Indonesia: Muslim Leader Rules Out Involvement in PDI Incident

BK3107102496 Hong Kong AFP in English 1000 GMT 31 Jul 96

[FBIS Transcribed Text] JAKARTA, July 31 (AFP) — The leader of a 30 million strong Muslim organisation Wednesday distanced his group from the strife-ridden Indonesian Democracy Party (PDI).

"NU (Nahdlatul Ulama) has not been involved and it will not be involved with the PDI situation," said Abdurrahman Wahid, head of the influential group.

Observers have waited for the NU to make its position on the turmoil public.

Some expected the NU to mobilise its members in support of the ousted leader of the PDI, Megawati Sukarnoputri, daughter of Indonesia's founding president Sukarno (Eds: one name).

However, Wahid, a childhood friend of Megawati's, pledged his personal support for her.

"It is important to say that I have given my wholehearted support for Megawati, but this doesn't mean I am sacrificing the interests of NU," he said.

He advised the military to keep silent on accusations that an activist group known as the Peoples' Democratic Party (PRD) was a communist organisation.

Wahid said the military "recently claimed that NU was infiltrated by communists which made a lot of people very angry."

Wahid has advised Megawati to fully cooperate with the authorities if they want to question her about the weekend riots.

The police and military have indicated they may take Megawati in for questioning.

"I told her this morning she has to co-operate with the security apparatus and be frank with them that she has no ill intentions," Wahid said.

Indonesia: Dailies Discuss Jakarta's Riots' 'Mastermind'

BK3107073396 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 30 Jul 96

[From the press review]

[FBIS Translated Text] SUARA KARYA underlines President Suharto's instruction to the security apparatus to take stern action against rioters in Jakarta in view of the fact that the incident was masterminded by those who call themselves PRD [Democratic People's Party]. The instruction means that the security apparatus must not hesitate to take action against the rioters. People must not fall for misleading reports following the Indonesian Democratic Party, PDI, office's chaotic takeover last week.

Meanwhile, MEDIA INDONESIA discusses the effects of the 27 July rioting. Even though the security apparatus managed to restore the situation, public anxiety still exists, especially after several buildings received bomb threats. The anxiety is reflected in the economic and business fields — the rupiah value and stock market index have sharply declined. The Jakarta stock exchange experienced one of its darkest days yesterday with its index plunging 20.57 points. This index drop is the most serious in Jakarta stock exchange's history.

SUARA PEMBARUAN describes the weekend incident as very disturbing as it has badly scared people. The incident occurred just as our nation prepares for the 1997 general elections. Election preparations require a calm and stable situation. Voters also need an atmosphere devoid of fear when they exercise their voting rights. Community leaders are expected to help create an atmosphere of peace and stability. This daily says both Megawati and Suryadi should learn a lesson from the regrettable incident. Both leaders should hold talks in a family-like manner in line with President Suharto's call to remain united, despite differences of opinion.

MERDEKA says the outbreak and effects of all recent incidents, which have shaken national credibility must be stopped. We should, therefore, look to see what we have neglected in the past 30 years of national development, so as to ensure the success of the Second Long-term Development Master Plan. Now, while time is on our side, we should think clearly and create a healthy atmosphere on the eve of the 1997 general elections.

Indonesia: Dailies Underline Vigilance Against New Communist Threat

BK3107093796 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 31 Jul 96

[From the press review]

[FBIS Translated Text] ANGKATAN BERSENJATA underlines President Suharto's call on the population to keep watch on the PRD's [Democratic People's Party] efforts to penetrate mass organizations. The president also instructed the security apparatus to take firm action against those who masterminded and took part in rioting in Jakarta on 27 July. The public is also urged not to be influenced by misleading reports, including those carried by foreign radio broadcasts, because it is possible that the PRD is the supplier of such news reports. ANGKATAN BERSENJATA believes we must keep an eye on the PRD because it is a reincarnation of the PKI [Indonesian Communist Party] and uses PKI tactics — such as distorting facts, slander, pitting one person against another, and other, illegal, acts such as murder and robbery. For this reason, ANGKATAN BERSENJATA calls on the local press and electronic media not to disseminate misleading news spread by frustrated groups in Indonesia or carried by foreign radio broadcasts.

Meanwhile, MEDIA INDONESIA urges all Indonesians to close ranks under the 1945 Constitution and Pancasila state ideology so as to get rid of communism, which is now suspected to have resurfaced in our beloved country. MEDIA INDONESIA also hopes that differences of opinion will be viewed as Indonesian assets, instead of threats. Channels of political communication must also be kept open, and the culture of consultations leading to consensus must be widely promoted. This daily believes that if we are united under the 1945 Constitution and Pancasila, we will be immune from slander and provocations. This kind of immunity is needed because of the communists' ability to penetrate and spread seeds of disunity. These dangerous seeds can grow easily in an atmosphere of mutual suspicion, arrogant power, and narrow-minded fanaticism, as well as in organizations where corruption and collusion prevail. This daily therefore calls on us to close ranks, enhance our vigilance, and practice introspection.

Indonesia: Suharto Meets With Uzbek President's Special Envoy

BK3107081996 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 31 Jul 96

[FBIS Translated Excerpt] President Suharto has supported Uzbek President Karimov's initiative and proposal to solve the long-standing Afghan conflict. President Karimov's proposal was conveyed to President Suharto by (Vladimir Imamovich Norov), Uzbek deputy foreign minister in his capacity as President Karimov's special envoy at a meeting at Jakarta's presidential office this morning.

Speaking to reporters, Foreign Minister Ali Alatas, who accompanied the Uzbek deputy minister, said the Uzbek president's initiative amounts to a resolution to be submitted to the UN Security Council.

At the same venue, President Suharto also met with Indonesian Roving Ambassador Lopez da Cruz, who reported on the recent visit to Indonesia by Portuguese delegation of academicians. [passage omitted on academicians' activities]

Philippines

Philippines: PRC Defense Minister Assures No Territory Expansion

BK3107023696 Manila BUSINESS WORLD in English 31 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The People's Republic of China (PRC) yesterday assured the Philippines it has no plans of expanding its territory to local boundaries despite the presence of suspected military installations in the Mischief Reefs. Chinese Defense Minister Chi Haotian told Defense Secretary Renato de Villa in a meeting in Beijing that China is willing to establish a "long-term friendly relationship" with the Philippines and the Association of Southeast Asian Nations (ASEAN). This, he said, may be done through frequent and direct contact between military leaders.

The Chinese defense chief also said the Chinese social system as well as national interests prompts it to adopt a defensive stance in the region. "China follows the principle of active defense and will not practice the German conduct of external expansion and invasion, to establish military alliances with any country or station troops and set up military bases outside its borders," he said. He also said the fears of Western countries that China plans to invade her neighbors is baseless.

Thailand

Thailand: Amnuai Plans To Discuss 'Disputes' During Burma Visit

BK3107045396 Bangkok BANGKOK POST in English 31 Jul 96 p 6

[Unattributed Report]

[FBIS Transcribed Text] Thorny issues including border demarcation disputes are to be raised in a meeting of the Thai-Burmese joint committee in Rangoon next month.

Deputy Prime Minister and Foreign Minister Amnuai Wirawan said during his inspection trip to Mae Sot yesterday that border disputes will be discussed in the meeting on August 5-6.

Mr. Amnuai, who is chairman of the joint committee, is scheduled to visit Rangoon at the invitation of his Burmese counterpart at the Foreign Ministry.

Main issues to be discussed include the digging in the Moei River on the Thai side and the deadlock over construction of the Thai-Burmese Friendship Bridge, said the foreign minister.

Last year, Rangoon accused Thailand of illegal encroachment which it claimed had altered the Moei River borderline.

Burma suspended construction of the bridge on the Myawadi side on June 6 last year. It demanded the removal of construction materials, rock filling and all buildings on the river bank as preconditions for talks.

The reclaimed area on the Thai side has since been altered but Burma is yet to agree to resumption of construction on the bridge.

Thailand has also asked Burma to stop planting stakes along the river and to dismantle concrete barriers.

Mr. Amnuai yesterday led his delegation that included Deputy Permanent Secretary for Foreign Affairs M.R. [Mom Ratchawong — royal title] Thep Thewakun, Treaties and Legal Affairs Department Director-General Sombun Sangiambut, Tak Governor Kasem Nakkharat and other officials to inspect the bridge and areas under dispute in Mae Sot district.

He was briefed on the border situation by Col. Suwit Maenmun, commander of the 4th Infantry Regiment.

Thailand: 'Cover Story' on Coup Probability

BK3107134796 Bangkok ATHIT in Thai
26 Jul-1 Aug 96 pp 14 to 21

[Cover Story: "Situation Analysis: Coup D'etat Probability"]

[FBIS Translated Excerpts] The protest walkout last week by members of the House Budget Scrutiny Commission from the Democrat Party during a meeting to scrutinize the defense budget was in fact a small matter that derived from misunderstanding between that political party and the military. It is easy for modern mass media technology to turn an insignificant incident into a big issue and vice versa. This article will overlook such an unimportant phenomenon and try to concentrate on analyzing political developments during the past 60 years after the establishment of the democratic form of administration in this country, since many people still wonder whether or not the current political environment is conducive to another "coup attempt." Are there still military groups that have the potential to "seize power" from the civilian government? Is there any power or force capable of deterring a coup attempt?

In the ambiguous political atmosphere, portions of the Thai political circles are haunted by past "nightmares." As coup phobia lingers in the air, certain groups are still "trying to create a situation to warrant a coup d'etat" and want to use a coup d'etat as a means to eliminate and solve the country's current problems.

The Latest Coup D'etat, A Lesson Given by the NPKC [National Peacekeeping Council]

The latest coup d'etat was staged in February 1991 by a group of military officers who called themselves "National Peacekeeping Council." The seizure of power took place while Thailand was enjoying an average annual growth rate of 10 percent, and in the "globalization" era. Modern communications and information technologies should have posed difficulties to the "power seizure" and to controlling the country by "martial law." The expansion of the three armed forces — which had no fewer than 200,000 soldiers at that time — as well as the complicated chain of command did not seem to have posed any difficulty to the attempt to seize power. No group in the armed forces showed any sign of resisting the coup plotters. Moreover, the power seizure took place amid the belief that the country had already produced a sufficiently strong "middle class".

Quite a few academicians, such as government adviser Dr. Kraisak Chunhawan and Dr. Phasuk Phongphaichit — believed, back then, that a "coup d'etat" was no longer probable in Thailand. General Chatchai Chunhawan, then prime minister, himself believed that "there might be some people thinking of staging a coup d'etat" but that "it was impossible" and that "nobody would do such a thing."

Gen. Chatchai later admitted that he had frequently received reports on coup attempts. However, judging from the situation at that time, he was quite sure that his government would not be toppled in such a manner. In particular, there could not be a coup while he was about to board the plane to Phuphing Ratchaniwet Palace to have an audience with the king. With such an important mission, Gen. Chatchai thought that "nobody would dare." He was wrong. He was grabbed from the plane. The coup attempt was quickly successful. It was a bloodless coup and the military was able to get the situation under its control within hours. [passage omitted]

The 1991 coup d'etat, however, has revealed the following facts:

- The intelligence network alone was unable to prevent or suppress coup attempts.

- The police force could not be used to prevent or check any coup attempt.

- The people's force weakened immediately after martial law was declared in all parts of the country. [passage omitted]

In short, at present, pressure from the international community is the only formidable deterring force against any coup attempt. A lack of knowledge and expertise in running the country — and of a thorough understanding of the purposes of the power seizure on the part of the plotters and those participating in the uprising — shortened the lifespan of the past military regimes. In addition, several problems existing in the society also helped accelerate their downfall such as:

- a weak economic foundation, profiteering, economic monopolization, and an uneven distribution of economic gains nationwide.

- lethargy and red tape on part of the bureaucracy.

- wide social disparity between big cities and rural areas and deep-rooted injustices.

- an increasing crime rate and the degradation of morals in society.

The inability to effectively cope with these problems was the main reason for the short life of the past military regimes. This is why they had to rely on advice from academicians, law experts, civil servants, and specialists to prolong their lives and prevent the problems from deteriorating further, without taking any action to tackle their root causes.

A quite rational saying regarding coups d'etat read: "it is easy to seize power....but, after that, to run the country is difficult...this is the most effective deterrent force against coup attempt." [passage omitted]

The Armed Forces Versus Coup Probability

Senate President Michai Ruchuphan once said that, so far, he has not come across any "individual" or "group of individuals" who might possess the ability to stage a coup d'etat.

To stage a coup d'etat, you need "the people who carry weapons" or "soldiers." The major question at this moment is whether or not the military people are in a position to stage a coup d'etat.

Soldiers, or the people in the armed forces, are also part of the society. Their behavior or thinking are similar to those of others in the society.

Considering the present social condition, it should be noted that all segments of society and professional groups are facing a common problem: the degradation of morals.

In political circles, it was once thought that younger generations of politicians with their college degrees and ambitions would bring new quality. However, the assumption was proven wrong. Higher education does not hatch "political ethics." In reality, things move in the opposite direction. They are intelligent, but more cunning. College students and intellectuals strive for "recognition" for themselves, and do nothing to serve society.

Mass media circles are no exception. The voice calling the mass media people to adhere to etiquette can be heard more loudly lately. It is a matter of grave concern that our society is producing low quality people for all circles. The morals of students in schools and universities are also corroding.

New generations of military officers no longer adhere to the spirit of their military career. Discipline and a sense of professionalism get very little attention from the younger generations of soldiers.

Young soldiers get together just to enhance their "bargaining power," not to serve any principle or society. They seek promotion to secure higher positions or to establish contacts with political or business groups. They do not hesitate to bow their heads to anyone who can give them higher ranks and positions. [passage omitted]

Is It True That There Will Not Be Any More Coups d'Etat?

Taking a close look at the present conditions, the chance of a coup d'etat is almost nonexistent. However, due to special characteristics of the Thai society, a miracle can take place in this country at any given period. A coup took place here five years ago in the era of globalization. To many countries, that was a miracle.

The question that now arises is whether or not the top brass in the Armed Forces feel it is worth risking their bright and secure future for a coup d'etat.

The answer is that they will take the risk if there is a big chance for success.

In other words, there must be a situation under which a coup can be staged without any risk and is believed to be the only justifiable way to solve the problems.

The next question is the possibility of Thailand's having another coup this year or in the near future.

It is unfortunate that many academicians believe the possibility still exists.

Dr. Prawet Wasi believed that another "upheaval" or "bloodshed" could occur in Thailand. Former government leaders have expressed their concerns over the "obsoleteness of the law" or "ineffectiveness of the law," which is the breeding ground for all sorts of social recklessness. Some label such a condition as "the state of political vacuum."

Under such circumstances, deflation of the bubble economy and the tremendous impact of economic instability on the middle class will force a huge number of people into bankruptcy. State mechanisms lack efficiency and are not accepted by the people. Laws are not enforced at the provincial, district, and tambon levels to keep the problems under the carpet. State mechanisms stop functioning and are used as the political tools of political parties to seek a majority vote in the house in order to obtain the power to rule the country. Crimes increase while the safety of the lives and properties of the people are not guaranteed, and violence is employed against violence.

At present, the society is characterized by disunity, unscrupulous rivalry for power, antagonistic feeling among different circles, selfishness, hatred, and different forms of violence. Despite the rising trend of these social vices, many people believe that a "coup d'etat" is no longer probable for Thailand. But to some people, a coup d'etat is a quick way to take away power from a government they dislike, instead of waiting for it to collapse through the normal parliamentary process.

Thailand: Editorial Criticizes Government's Economic Policies

BK3107045896 Bangkok BUSINESS DAY in English 31 Jul 96 p 4

[Editorial: "Economic Policies Require Strong Leadership Focus"]

[FBIS Transcribed Text] The Government is putting the spotlight on Deputy Prime Minister Amnuai Wirawan as the leader of the nation's economic policy team. This is a wise move, for there is a need for focus, and leadership on the economic front, and Dr. Amnuai is the only senior official in the present government with the breadth of experience and, most importantly, international recognition and credibility.

Up till now there have been too many official voices — some of them contradicting each other — on fiscal and monetary measures that are needed to solve current economic problems. The present economic uncertainties are already causing confusion and concern, and so high level officials should do their best to present a coherent stand on policies in order to restore public confidence. In so doing, they must make an effort to put forth a comprehensive package of policies rather than the piecemeal measures we have seen, many of which are not very well thought out.

It isn't particularly heartening and reassuring to learn, for example, that in searching for powerful economic weapons to wield against the dreaded current account deficit, some of our economic leaders in all their wisdom recently came up with the notion that the people of Thailand should buy fewer yachts.

Perhaps our top decision makers circulate in a world where yachts are a common possession, but for most people, the expense list usually starts with food and rent and does not leave room for many more items.

In any case, it is doubtful that a mere few million baht of extra cost will deter the would-be yacht owners from writing a check.

The proposal to increase excise taxes on yachts was made at about the same time as the Cabinet's decision to lower rather than increase tariffs on perfume, leather goods, crystal ware, watches, and other unessential luxuries. The convoluted logic that leads to increases in tariffs on certain luxury goods while decreasing them on others adds to the feeling that the policy makers are themselves confused. The sense of disarray in high places was compounded when the Cabinet backtracked on the tariff reductions after encountering severe opposition from local suppliers.

The confusion doesn't stop with economic policies.

It seems like just yesterday we were told that short-term liquidity injection measures were essential to breathe life into the Stock Exchange of Thailand (SET). Last year's outrageous gimmick, a 30 billion baht fund, was as ill-conceived as it was ineffective, and although the former finance minister and the former governor of the Bank of Thailand were the leading proponents of the fund, the current top level economic policy makers gave their approval, tacitly or otherwise. Now we are told the opposite, namely that short-term, liquidity enhancing measures won't work to revive the SET in the long-run and should not be tried again. We wonder how such an obvious truth eluded policy-makers just a few months ago.

Vietnam

SRV: Washington News Conference on Lake Visit Reported

BK2807152396 Hanoi NHAN DAN in Vietnamese 20 Jul 96 p 4

[Unattributed report]

[FBIS Translated Text] According to a Washington-based Vietnam News Agency [VNA] correspondent, Mr. Winston Lord, U.S. under secretary of state for East Asian-Pacific Affairs, convened a news conference at the International Press Center in Washington on the afternoon of 17 July to announce the results of National Security Adviser Anthony Lake's visits to five countries on 9-15 July— namely, China, Thailand, Vietnam, South Korea, and Japan.

Mr. Lord gave a brief presentation of the contents of the talks and of the activities of the U.S. delegation during its stay in the aforementioned countries and affirmed U.S. interest in the important role and dynamic development of this part of the world.

In response to a question raised by a VNA correspondent concerning the results of the recent Vietnam visit, Mr. Lord said that the delegation led by National Security Adviser Anthony Lake was accorded a very cordial and warm reception by the Vietnamese side. He maintained that the visit was very successful. The U.S. delegation was received by the highest-ranking Vietnamese party, state, and government leaders. The two sides had a very comprehensive agenda of discussions to further promote bilateral ties. He said he had visited Vietnam many times, and each visit gave him new information. He added that this visit helped him better understand Vietnam's economic development strategies adopted by the Eighth Congress of the Communist Party of Vietnam [CPV].

He said the U.S. side was interested in continuing its policy to encourage progress in the issue of U.S. personnel missing in action. He also admitted that the Vietnamese side has been very cooperative in this respect.

Mr. Winston Lord disclosed that Mr. Peter Peterson, who has been appointed by U.S. President Bill Clinton as the first U.S. ambassador in Vietnam, would testify before the U.S. Senate. He hoped that Mr. Peterson's appointment would be officially approved by the U.S. Senate at an early date.

SRV Commentary Urges Comprehensive Nuclear Test Ban Treaty

BK2807131496 Hanoi Voice of Vietnam in English 1000 GMT 25 Jul 96

[Station commentary]

[FBIS Transcribed Text] The United Nations' Conference on Disarmament was held last week in Hiroshima with the participation of 22 countries. Participants said that it was time to have the treaty on a comprehensive nuclear test ban. Here is our correspondent's comment:

This is the major international conference held in one of the two cities which have become a symbol of nuclear destruction. Therefore, it has symbolic as well as humanitarian significance. The most important outcome of the conference is the consent to finalize the treaty on a comprehensive nuclear test ban. The message from Hiroshima, where 51 years ago the first U.S. atomic bomb took away hundreds of thousands of people, shows the necessity of the treaty on a comprehensive nuclear ban. But the gist of the treaty is still determined by the nuclear superpowers. These countries so far do not seem to ready for full participation in the treaty. They are using nuclear issue for different economic and political purposes. They want to settle disputes stemming from nuclear technological proliferation and commercialize nuclear technology in most cases based on their own criteria and principles.

The Hiroshima conference's message has put strong pressure on the nuclear superpowers at the Geneva conference on nuclear disarmament.

Before the signing of the complete nuclear test ban treaty in Geneva latter this month, it is necessary to remind the current generation of the victims of Hiroshima, Nagasaki, and the Chernobyl disaster. It is the responsibility and obligation of the United Nations and all of mankind.

SRV: Chinese Moratorium on Nuclear Tests 'Applauded'

BK2907124596 Hong Kong AFP in English 1025 GMT 29 Jul 96

[FBIS Transcribed Text] HANOI, July 29 (AFP) — Vietnam applauded the announcement Monday that China would observe a moratorium on nuclear tests but made no reference to the final Chinese blast that accompanied it.

"Vietnam welcomes the announcement from Beijing that it will observe a moratorium on nuclear tests from July 30," a foreign ministry spokesman said.

China said Monday's explosion, its 45th, would be the last before it began a moratorium starting on Tuesday, a move that brings it into line with the four other declared nuclear powers — Britain, France, Russia and the United States.

"Vietnam hopes that all countries will strive to attain a world without nuclear weapons, firstly by halting nuclear tests immediately and indefinitely," the spokesman said.

Delegates were to resume talks in Geneva on Monday for a worldwide treaty that would outlaw all nuclear tests.

SRV: China's Nuclear Test Reported, Moratorium Welcomed

BK3007120096 Hanoi Voice of Vietnam in English 1000 GMT 30 Jul 96

[FBIS Transcribed Text] China carried out its 45th nuclear test on Monday and immediately announced a moratorium on nuclear testing just hours before negotiations on a test ban treaty were set to begin in Geneva. China's move disappointed the governments of many countries. However, the international community, including Vietnam, welcomed China's moratorium. By now, five nuclear superpowers, namely the USA, Russia, Britain, France, and China, have declared an enmity to nuclear tests.

SRV: 'High-Level' Military Delegation Concludes China Visit

BK2707163596 Hanoi VNA in English
1534 GMT 27 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 27 - A Vietnamese high-level military delegation led by deputy minister of national defence Lt. Gen. Pham Van Tra yesterday returned to Hanoi, concluding an official friendship visit to China from July 18.

Gen. Tra is also Politburo member of the Communist Party of Vietnam and chief of the general staff of the Vietnam People's Army.

While in Beijing, the Vietnamese delgation was received by Jiang Zemin, general secretary of the Communist Party of China (CPC) and state president of the People's Republic of China Sen. Lt. Gen. Liu Huaqing, member of the CPC Political Bureau's standing board and deputy chairman of the CPC Central Military Commission and Sen. Lt. Gen. Chi Hoatian, defence minister.

Gen. Tra and his party held talks with a Chinese high-level military delegation and visited a number of military institutions and units.

During its stay in China, the Vietnamese delegation also toured several cities such as Tianjin, Shenzhen, and Guangzhou.

SRV: Do Muoi, Nong Duc Manh Receive ROK Foreign Minister

BK3007094496 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 29 Jul 96

[FBIS Translated Text] South Korean Foreign Minister Kong No-myong paid a courtesy call to General Secretary Do Muoi yesterday afternoon in the framework of his official visit to our country. Foreign Minister Kong No-myong respectfully conveyed President Kim Yong-sam's best wishes for good health to General Secretary Do Muoi, as well as the South Korean president's congratulations to the Communist Party of Vietnam [CPV] on the success of its eighth congress, which—in the words of the South Korean president—has testified to the determination of the Vietnamese party and people to carry on the renovation work.

The South Korean foreign minister believed that Vietnam is an interesting investment partner, that Vietnam's renovation policy has created favorable conditions for South Korean investors to increase their activities in Vietnam, and that bilateral economic and scientific-technological cooperation would surely be promoted with every passing day.

General Secretary Do Muoi welcomed Foreign Minister Kong No- myong's Vietnam visit and thanked the South Korean Government, people, and business circles for their efforts to step up investment in Vietnam and promote bilateral economic, scientific-technological, and cultural cooperation in the interest of the two peoples and for the sake of peace, stability, cooperation, and development in the region.

His Excellency Kong No-myong was also received by National Assembly Chairman Nong Duc Manh yesterday afternoon.

SRV: Tran Duc Luong Receives Visiting ROK Foreign Minister

BK3007063796 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 29 Jul 96

[FBIS Translated Text] Deputy Prime Minister Tran Duc Luong cordially received visiting South Korean Foreign Minister Kong No- myong at the Prime Minister's Office this afternoon [29 July].

Deputy Prime Minister Tran Duc Luong, on behalf of the Vietnamese Government, warmly welcomed Foreign Minister Kong No-myong on his official visit to Vietnam. He stressed that against the background of changes in the situation of Southeast Asia in particular and Asia-Pacific in general, this visit to Vietnam at this time will contribute to the developing relations between the two nations. It will also contribute to the peace, stability, and mutual development in the region.

South Korean Foreign Minister Kong No-myong stressed that his visit to Vietnam is made following the ASEAN Ministerial Conference, the ASEAN Regional Forum, and the post-ministerial conference held in Jakarta recently. He said that the situation in Asia is developing in the right direction and that stability in the region will bring about mutual interest for all countries. During the past period, relations between the two nations have developed consistently. This should be attributed to efforts by both sides. He said that with the current favorable conditions, relations between South Korea and Vietnam will be increasingly developed in all domains.

SRV: Nguyen Manh Cam Welcomes Visiting ROK Foreign Minister

BK2907150296 Hanoi Voice of Vietnam in English 1000 GMT 29 Jul 96

[FBIS Transcribed Text] A ceremony to welcome South Korean Foreign Minister Kong No-myong and his wife to visit Vietnam was held at the Government Guest House in Hanoi on Monday morning [29 July]. Speaking at the ceremony, Vietnamese Foreign Minister Nguyen Manh Cam welcomed the visit to Vietnam by the South Korean foreign minister.

He said: Only three years after Vietnam and South Korea established diplomatic relations, friendship and cooperation between the two countries have developed rapidly as compared with relations of other countries. This visit will mark a new stage in the already strong relations between the two countries.

On the same day, Minister Kong No-myong held talks with his Vietnamese counterpart Nguyen Manh Cam and was received by party leader Do Muoi, Chairman of the National Assembly Nong Duc Manh, and Deputy Prime Minister Tran Duc Luong.

Earlier, Minister Kong No-myong visited Ho Chi Minh City. He was received by Mr. Truong Tan Sang, political bureau member and secretary of the Ho Chi Minh City Party Committee.

SRV: Foreign Minister Talks With ROK Counterpart

BK3007030496 Hanoi VNA in English 1554 GMT 29 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 29—Foreign Minister Nguyen Manh Cam held talks here today with Foreign Minister of South Korea Kong No-myong on his three-day official visit to Vietnam.

Present to the talks were Deputy Foreign Minister Nguyen Van Nganh, South Korean Ambassador to Vietnam Kim Bong Ki-u and other Vietnamese and Korean diplomats.

In an atmosphere of friendship and mutual understanding, the two sides exchanged views on measures to further develop the bilateral cooperation and on some regional and international issues of common concern.

Foreign Minister Nguyen Manh Cam warmly welcomed Mr. Kong No- myong's official visit to Vietnam and affirmed Vietnam's policy to attach importance to the development of the friendship and cooperation of mutual benefits between the two countries. He expressed his thanks to the Korean Government for its positive support to Vietnam's development cause and his hope that the Korea Government will continue support and assist Vietnam in the future. He also highlighted the Korean business circle's investment in Vietnam's industrialisation and modernisation.

Minister Cam expressed his pleasure at South Korea's becoming one of the industrially developed countries and its preparation for joining the Organisation of Economic Cooperation Development (OECD) this September, and his belief that Foreign Minister Kong No-myong's Vietnam visit will be succeed, thus making contributions to further strengthening the bilateral cooperation between the two countries in the interests of each nation, for peace, stability, friendship and cooperation in the region and the rest of the world.

Foreign Minister Kong No-myong highly appreciated the achievements recorded by the Vietnamese people in their national renovation and Vietnam's expansion of international relations over the past years. He also affirmed that South Korea would further promote its implementation of projects and cooperative programmes agreed by the two sides and pledged to continue granting Vietnam new fundings mobilized from the Economic Development Cooperation Fund (EDCF) with preferential treatment and to provide Vietnam more non- refundable aids through the Korean International Cooperation Agency (KOICA).

The two diplomats expressed their satisfaction at the development of the relationship between Vietnam and South Korea especially in the fields of economic cooperation and investment.

Regarding regional and international issues, the two foreign ministers reaffirmed the two countries' desire to make their contributions to peace, stability, cooperation and development in the region and the world at large. Mr. Kong No-myong highly appreciated Vietnam's important role in the regional cooperation and its participation in a number of international organisations such as ASEAN, ARF [ASEAN Regional Forum], APEC, and WTO.

SRV: ROK Foreign Minister Concludes Working Visit

BK3007161796 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Jul 96

[FBIS Translated Text] South Korean Foreign Minister Kong No-myong and his wife and entourage left Hanoi this morning, successfully concluding their working visit to Vietnam. Foreign Minister Kong No-myong thanked the Vietnamese Government and people for creating favorable conditions for his working visit to end in success. He also believed that Vietnamese-South Korean cooperative ties would be constantly strengthened and developed in many areas in the days ahead.

SRV Spokesman Regrets Ranariddh Remarks on Border Issue

BK2907122896 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Jul 96

[FBIS Translated Text] In response to a Vietnam News Agency correspondent's question on the 26 July statement by Cambodian First Premier Norodom Ranariddh that Vietnam has occupied land Cambodian land at the border, the SRV Foreign Ministry's spokesperson pointed out: Vietnam has maintained an unswerving policy of respecting the national independence, sovereignty, and territorial integrity of all nations while striving to build peaceful and lasting friendship borders with all neighboring countries including Cambodia. Vietnamese and Cambodian leaders have agreed to resolve all remaining issues betweem the two countries — including the border and territorial issues — through peaceful negotiations. Both sides have also agreed to set up local and central level mechanisms to exchange views and resolve these issues, and to refrain from making statements affecting the friendly relations of the two nations which are developing favorably.

In the past, no noteworthy event has taken place along the Vietnam-Cambodia border areas. The first round of meetings between the border expert groups of Vietnam and Cambodia was held recently in Ho Chi Minh City in an atmosphere of friendship and frankness. The Vietnam side is waiting, at Cambodia's convenience, to have the second round of meetings in Phnom Penh.

However, it is regrettable that the 26 July statement [of the Cambodian first premier] did not correspond to the real situation and the spirit of the high-level agreement of the two nations. It also does not reflect the consistent efforts to consolidate neighboring friendly ties between the Kingdom of Cambodia and Vietnam.

SRV: Commentary Views Ranariddh's 'Allegation' on Border Issue

BK3007132696 Hanoi Voice of Vietnam in English 1000 GMT 30 Jul 96

[Radio commentary]

[FBIS Transcribed Text] Cambodian First Prime Minister Ranariddh stated on July 26th in Svay Rieng Province that Vietnam had encroached on Cambodia's cultivable land along the Vietnamese- Cambodian border. This was an allegation. Our radio editor discusses the issue:

It is not the first time Cambodia has made such an allegation on the border issue. In past months, there has been some trouble along the Vietnamese-Cambodian border, which has affected the security and order of the border regions of both countries. The same situation prevails now, but there has been no encroachment on Cambodia's cultivable land along the border.

Vietnam's consistent policy is to respect the national independence, sovereignty, and territorial integrity of all nations; and to strive to build durable peace and friendship along borders with all countries, including Cambodia.

When there have been incidents along the common border, the Vietnamese Government has persisted in settling these issues to reestablish order on the border. Vietnam has, together with Cambodia, established a mechanism from local to central levels for meetings when necessary to solve issues relating to the common border.

Both sides have agreed to set up a working group at expert level to discuss the border delineation issue and necessary measures to maintain security and stability along the border areas. Last April, at the request of the first prime minister of Cambodia, Prince Ranariddh, Vietnamese Prime Minister Vo Van Kiet arrived in Phnom Penh to hold talks with him on the issue. In March this year, Vietnam received Cambodian Deputy Prime Minister and Minister of Interior and Security Sar Kheng in Hanoi for talks on special measures to maintain security and order along the border and cooperation in the fight against criminals and protection of nationals of both countries living on each other's territories. In early this month, the first session of the expert level working group on the border issue met in Ho Chi Minh City in an atmosphere of friendship and frankness.

Vietnam has waited for Cambodia for the second round of talks in Phnom Penh. Vietnam has been doing its best to maintain security and order along the common borderline. Regrettably, Cambodia has not seen or tried to ignore Vietnam's positive goodwill in the settlement of the border issue between the two countries.

In a statement on Monday, a ?pokesman for the Vietnamese Foreign Ministry expressed regret for C?mbodia's attitude and affirmed that Prime Minister Ranariddh's July 26th statement was inappropriate in the current context and in the spirit of agreements already reached at Vietnamese-Cambodian summits. Such statement was by no means beneficial to the consolidation of neighborly ties between Vietnam and the Kingdom of Cambodia.

SRV: Ties Reviewed on Japanese Foreign Minister's Visit

BK2707163396 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Jul 96

["Essay" by an unidentified station editor "to mark arrival in Hanoi 27 July of Japanese Foreign Minister Yukihiko Ikeda for an official visit"]

[FBIS Translated Text] Since Japan lifted its embargo against Vietnam in 1992 — an embargo it had imposed due to pressure from its alliance with the United States — Vietnamese-Japan ties have entered a new stage of development.

Following the visit by Japanese Prime Minister Murayama and a parliamentary delegation in August and September 1994, various high-level delegations from our country led by General Secretary Do Muoi and National Assembly Chairman Nong Duc Manh also took turns visiting Japan in 1995. These exchange of visits reflected the desire and goodwill of the two countries to broaden cooperation and to build lasting ties for mutual development deeply, thus contributing to regional prosperity and cooperation.

According to high-level agreements between the two countries, talks at the deputy foreign ministerial level have been conducted regularly over the past few years to discuss various bilateral issues and the need for mutual support on various regional and international issues.

Vietnam and Japan decided to upgrade their annual meetings to the ministerial level at a meeting in April 1996. Apart from this, they have also decided to organize meetings at the deputy economic ministerial level and to conduct dialogues between various sectors and dialogue partners to further strengthen their ties in various areas.

Recently, there were also many seminars on Vietnam in Tokyo, Osaka, Hanoi, Danang, and Ho Chi Minh City. In March 1996, a seminar entitled "The Investment Environment in Vietnam and the Expansion of Economic Exchange Between Vietnam and Japan" was held in Tokyo. It was attended by Deputy Prime Minister Tran Duc Luong. Over 1,000 delegates including various government officials, foreign and trade ministries' officials, renowned scientists, and representatives from Japan's leading companies also attended. The seminar reflected the great interest of Japanese political circles and businessmen in continuing to develop economic ties with Vietnam.

Facts show that after the embargo was lifted in 1992, Japan was one of the first countries to resume official aid to Vietnam. Japan has also actively supported the idea of giving official aid so that Vietnam will secure favorable terms at the conference of its international donors, at the Paris Club, the World Bank, and the IMF.

Japanese official development aid, ODA, for Vietnam which is relatively large, has risen rapidly from $380 million in 1992 to $470 million in 1994, and $700 million in 1995. In December 1995, Japan pledged over $800 million from its total 1996 foreign aid fund. Japan provides 50 percent of its ODA for Vietnam. This is 30 percent of the total international ODA aid that Vietnam receives. Japanese funds are focused on key areas such as communications, energy, water supply, everyday life, and sanitation.

Japan is now one of Vietnam's leading trade and investment partners. In 1995, two-way trade reached $2.2 billion, an increase of 20 percent over 1994. Vietnam's exports to Japan consist mainly of crude oil, raw materials, garments, and agro-forestry products. Its imports are machinery, equipment, and a number of industrial goods.

Japanese investment in Vietnam has also changed in scale and structure. The country is now second among leading investors in Vietnam with $1.97 billion invested as of February 1996.

Japan has many large-scale projects in many important sectors in Vietnam, notably infrastructure. Among them are the $347-million Nghi Son cement joint venture in Thanh Hoa and the $120-million Nomura industrial complex in Haiphong.

Cultural exchanges between Vietnam and Japan has also continued to increase. The exchange of art troupes, the Vietnam-Japan Youth Friendship Program, the "Hello Vietnam" Program, the establishment of the 2-billion dong Doremon Fund to support various education projects and encourage young talent to overcome difficulties, the existence of a Vietnam Square in Osaka, and especially the presence of a Japanese cultural exchange group made up of renowned writers and representatives from the Japanese Ministry of Education and Ministry of Culture and Information, and from the Japanese Cultural Exchange Fund in Vietnam in March 1996 are fine developments in the expansion of cooperation and cultural exchanges.

Tremendous changes after the cold war, internationally and regionally, have created a favorable environment for ties to enter a new stage of development. It is the desire of both sides to further promote the multifaceted relations. This visit to Vietnam by the Japanese foreign minister and the agreements expected to be signed are a precise manifestation of that goodwill.

SRV Foreign Minister Holds Talks With Japanese Counterpart

BK2807122596 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Jul 96

[FBIS Translated Text] Foreign Minister Nguyen Manh Cam held talks with Japanese Foreign Minister Yukihiko Ikeda at the Government Guest House this afternoon, 27 July. Attending the talks on the Vietnamese side were Deputy Foreign Minister Vu Khoan; Vo Hong Phuc, deputy planning and investment minister, and a number of officials of the Vietnamese Foreign Ministry and other agencies concerned. On the Japanese side were (Katsunari Suzuki), Japanese ambassador extraordinary and plenipotentiary, and members of the Japanese delegation.

The talks took place in an atmosphere of friendship, openness, and mutual understanding. The two sides focused on measures to further promote bilateral friendship and multifaceted cooperation and also exchanged broad-based views on regional and international issues of common concern.

Foreign Minister Nguyen Manh Cam warmly welcomed Foreign Minister Ikeda's official Vietnam visit to begin upgrading the two countries' political dialogue. He reiterated the Vietnamese government's unchanged policy to give high priority to the promotion of multifaceted cooperation with Japan in the interest of both countries and for the sake of peace, stability, cooperation, and development in the Asia-Pacific region and other parts of the world.

Foreign Minister Ikeda emphatically said that it is the Japanese government's policy to constantly promote Japanese-Vietnamese cooperation, support Vietnam's renovation undertaking, and welcome Vietnam's efforts to broaden international relations and integrate into the region and the world community.

The two foreign ministers expressed their great satisfaction with the fine development of bilateral ties in recent years. They noted that since the exchange of visits by the Vietnamese and Japanese prime ministers and the official visit to Japan by General Secretary Do Muoi in April 1995, Vietnamese-Japanese relations have shifted to a new stage and have reached new heights and a larger scope.

Japan is Vietnam's biggest aid donor country and leading trade partner. Japan's direct investment in Vietnam has increased quickly and Japan is among the leading investors in Vietnam. Cultural and personnel exchanges have increased with every passing day and have contributed to strengthening mutual understanding between the two peoples. Cooperation in health care, environmental protection, education and training, and rural development has also been stepped up.

The Japanese side welcomed the decision of the Eighth Congress of the Communist Party of Vietnam [CPV] to carry on the renovation policy and expressed its readiness to contribute to the process of industrialization and modernization in Vietnam.

On this occasion, the two sides signed a diplomatic note on Japan's granting of nonrefundable aid for Vietnam to build or upgrade 21 bridges and on Japan's provision of audio-visual equipment to Hanoi Foreign Languages University. The Japanese side also made public its decision to give Vietnam preferential import tax treatment reserved for ASEAN member countries, and expressed its readiness to participate in a high-tech zone project in Hanoi and increase cooperation in a youth training and exchange program.

Foreign Minister Nguyen Manh Cam expressed thanks for Japan's support for Vietnam's work of renovation and industrialization and modernization. The two sides unanimously agreed to further promote Vietnamese-Japanese cooperation on a long-term basis and in keeping with the trends of development in the 21st century.

In discussing regional and international issues, the two foreign ministers expressed the desire to make positive contributions to the trend toward peace, cooperation, and development in the region. Foreign Minister Ikeda highly valued Vietnam's important position and positive activities in the region, particularly its ASEAN membership, participation in ARF [ASEAN Regional Forum], and application for the Asia-Pacific Economic Cooperation Organization, APEC, and for the World Trade Organization, WTO. Foreign Minister Nguyen Manh Cam expressed the desire to see Japan contribute to peace and stability in the region and other parts of the world. He said he was positive that Foreign Minister Ikeda's Vietnam visit would be crowned with success and contribute greatly to further promoting Vietnamese-Japanese cooperation in the days ahead.

SRV: Deputy Prime Minister on Relations With Japan

BK2807163896 Hanoi VNA in English 1524 GMT 28 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 28 — The Vietnamese Government highly appreciated the Vietnam visit by Japanese Foreign Minister Yukihiko Ikeda as it commenced the Vietnam-Japan political dialogues at the ministerial level and accelerated the Vietnam-Japan friendly and cooperative ties to a new step of development, said Deputy Prime Minister Tran Duc Luong

Receiving the Japanese foreign minister here this morning he stressed that the government and people of Vietnam rejoiced at the fine development in cooperation over the past years. Japan has to date remained a leading trade partner of Vietnam and it now ranks second among foreign investors in Vietnam. Headway has been made in the bilateral cooperation in oil and gas exploration and refining and motorbike assembly.

The deputy prime minister expressed his hope that the Japanese government would continue its Official Development Aid (ODA) to Vietnam and the two governments would sign more agreements in favour of business people from both countries. He also hoped that the Japanese government would support Japanese business people in their plans to help Hanoi to build a number of high-tech industrial parks.

Foreign Minister Y. Ikeda assured the Vietnamese leader of Japan's policy to support Vietnam on the international and regional political arena as well as to provide Vietnam with ODA funds for socio-economic development. He said that apart from ODA, Japanese business people will promote cooperation with and investment in vietnam.

He also exchanged views with Mr Luong on investment capital, education and personnel training.

SRV: News Conference Announces Results of Japan's Ikeda Visit

BK2807144196 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Jul 96

[FBIS Translated Text] During his two-day visit to Vietnam on 27-28 July, Japanese Foreign Minister Ikeda met with General Secretary Do Muoi, National Assembly Chairman Nong Duc Manh, and Deputy Prime Minister Tran Duc Luong. He also held a working session with Foreign Minister Nguyen Manh Cam. The two foreign ministers attended a ceremony to sign two documents on the granting of nonrefundable aid for Vietnam to rebuild bridges in the northern provinces and on the provision of nonrefundable cultural aid for the Hanoi Foreign Languages University.

Mr. (Ken Simanu Uchi), spokesman for the Japanese foreign ministerial delegation, organized a news conference in Hanoi this afternoon to announce the results of the visit. He said:

[(Ken), in English fading into Vietnamese report] This is an important visit because it marks the first visit by a Japanese foreign minister in five years. The objective of the visit is to confirm the Japanese Government's support for the renovation undertaking in Vietnam and to create momentum for promoting bilateral cooperation in the political, economic, cultural, and security domains.

Mr. (Ken) also disclosed that, through the meetings and working sessions between the Japanese foreign minister and Vietnamese leaders, the two sides expressed their satisfaction with the recent developments of bilateral ties. Specifically, in the political domain, the two sides were satisfied with the results of visits by Vietnamese and Japanese leaders and with the strong development of bilateral political ties thus far. The Japanese side wished to further promote these relations and to strengthen security cooperation against the current backdrop in the Asia-Pacific region.

With regard to economic issues, both sides expressed satisfaction with the favorable economic developments so far. The Japanese foreign minister mentioned the prospects for granting Vietnam the same preferential tariffs applied to other ASEAN member countries and also for an increase in the volume of Japan's investment in Vietnam. Japan stands ready to help Vietnam with its development projects to the year 2020, including the building of high-tech industrial zones and the relocation of universities from Hanoi center.

During this visit, in addition to exchanging views on tangible infrastructure development projects, His Excellency Foreign Minister Ikeda also discussed Japan's support for intangible development projects like the improvement of Vietnam's legal system.

Regarding culture, the two foreign ministers unanimously concurred with the current need for cultural exchanges and personnel training. The Vietnamese side raised issues relating to Vietnam's applications to the Asia-Pacific Economic Cooperation, APEC, and the World Trade Organization, WTO. The Japanese side supported Vietnam's APEC membership and promised to share experiences to help Vietnam with its participation in the WTO.

The spokesman for the Japanese foreign ministerial delegation answered questions raised by Vietnamese and foreign journalists. In response to a question concerning the prospects for Japan's investment and development aid for Vietnam in the days ahead, Mr. (Ken) said:

[(Ken), in English fading into Vietnamese report] His Excellency Foreign Minister Ikeda stressed the important role of investment in development aid and the importance of efforts to improve the investment environment. The Japanese Government maintains that Vietnam has made fine improvements in this area and hopes that Vietnam will continue to make even better improvements. The volume of Japan's investment in Vietnam is increasing, and Vietnam's efforts to improve the investment environment have been appreciated by Japanese business circles.

The newly signed agreements on Japan's aid for Vietnam to rebuild bridges and on a feasibility study for the renovation of Hanoi City are infrastructure development projects designed to help Vietnam improve its investment environment.

In response to a question raised by a BANGKOK POST correspondent concerning Japan's support for Vietnam's participation in the WTO and APEC, he said:

[(Ken), in English fading into Vietnamese report] We will dispatch experts to Vietnam to exchange views and to help Vietnamese officials understand the procedures and regulations of the WTO. With regard to the timing of Vietnam's APEC membership, this depends on a decision by the APEC member countries. APEC will consider new membership applications from now until November, and Japan will always support Vietnam's participation in this organization.

Mr. (Ken) also disclosed that Foreign Minister Ikeda had invited Foreign Minister Nguyen Manh Cam to visit Japan to consolidate and promote bilateral ties in the days ahead.

SRV: Japanese Foreign Minister Concludes Visit 28 Jul

BK2907062096 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Jul 96

[FBIS Translated Text] On the morning of 28 July, Japanese Foreign Minister Ikeda and his entourage visited the mausoleum of President Ho Chi Minh, and toured the late president's residence and office. The Japanese delegation also toured the Van Mieu Temple of Culture, a historical cultural heritage center.

A spokesman for the Japanese foreign minister held a news conference at the government guest house on the afternoon of 28 July on the foreign minister's visit. Reporters from various local and foreign news agencies and newspapers attended the conference.

Japanese Foreign Minister Ikeda left Hanoi on the evening of 28 July, thereby concluding his working visit to Vietnam.

SRV: Commentary Hails Friendship, Cooperation With Canada

BK2907094396 Hanoi Voice of Vietnam in English 1000 GMT 26 Jul 96

[Station Commentary]

[FBIS Transcribed Text] The visiting Canadian Secretary of State Raymond Chan on Friday [26 July] left for Ho Chi Minh City, Vietnam's largest city. Before leaving Hanoi, Mr. Chan said his Vietnam visit is to promote ties and cooperation between the two countries. Here is our radio's comment:

The Canadian Secretary of State Raymond Chan started his Vietnam visit on Tuesday and was received by Deputy Prime Minister Tran Duc Luong and leaders of the trade, investment, and transportation sectors of Vietnam. High on the agenda of the meeting were questions of regional security, bilateral economic cooperation between Vietnam and Canada, and also Canada's priorities. The two sides agreed upon ways to further develop bilateral cooperation in the coming period, preconditions for further development of Canada- Vietnam relations [words indistinct] for Canadian businessmen to get to know Vietnam's markets.

Relations between Vietnam and Canada date back over four decades ago; but it was until 1973 that the two countries established official diplomatic relations. Since then, bilateral relationship has undergone many variances together with worldwide changes. The last three years have seen encouraging developments in the relationship between Vietnam and Canada which resulted from Vietnam's renovation policy and Canada's policy to turn toward Asia and the Pacific.

The Vietnam visit by Prime Minister Jean Chretien was a lever to boost bilateral ties. Canada has greatly helped Vietnam integrate into the ASEAN community. Canada is now encouraging its entrepreneurs to cooperate with their Vietnamese counterparts for mutual benefit and development. The Vietnam visit this time by the Canadian State Secretary was to achieve this goal.

SRV: Jakarta ASEAN Meetings Hailed

BK2807160096 Hanoi Voice of Vietnam in English 1000 GMT 26 Jul 96

[Station Commentary]

[FBIS Transcribed Text] Last week has seen three important ASEAN meetings held in Jakarta. They were the 29th ASEAN foreign ministerial meeting; the ASEAN Regional Forum; and the post- ministerial conference. They all focused on peace, stability, and prosperity in the region. Our radio commentator has more to say:

ASEAN member countries and dialogue partners reaffirmed their determination to turn the region into a nuclear free zone and advocated a complete nuclear testing ban. ASEAN countries committed to cooperate in national defense and regional security.

Relating to the complicated and sensitive question of the eastern sea [South China Sea], participants agreed to the principle of solving all differences through negotiations and refraining and banning the use of violence.

Southeast Asia has played a more important role in solving international and regional issues. Reality and results of the three current meetings prove that in Southeast Asia peace, security, and cooperation for development are closely related to each other.

The ASEAN and its dialogue partners have attested to changes in the world to act in the interest of peace and development. With the population of 500 million and its advantageous position on main seas and airfreight international routes, Southeast Asia could become an example of international political cooperation for a durable peace and security.

Vietnam is very happy to step by step take part in all activities in the region, contributing to building Southeast Asia into a zone of peace, stability, friendship, and cooperation.

SRV: Foreign Minister Highlights Success of ASEAN Meetings

BK2907093896 Hanoi VNA in English
0730 GMT 29 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 29 — Foreign Minister Nguyen Manh Cam has highlighted the success of the 29th ASEAN Ministerial Meeting (AMM), the ASEAN Regional Forum (ARF), and the Post-Ministerial Conference (PMC) in Jakarta recently.

In an interview with the national paper NHAN DAN on Sunday, Minister Cam emphasized three outstanding achievements of those conferences.

First, he said, the AMM confirmed the closer realisation of the vision, which was once thought as impractical, of including all ten Southeast Asian countries in ASEAN. Laos and Cambodia will become members in 1997, and Myanmar [Burma] has been given observer status. The original wish of the ASEAN founders' of 30 years ago can be accomplished in the next one or two years.

Second, ASEAN has decided to further boost cooperation within the organisation and the process of forming an ASEAN Free Trade Zone (AFTA) to be completed before the year 2003. The minister also said the AMM considered the strengthening and expansion of economic cooperation inside ASEAN and the acceleration of AFTA necessary to meet the urgent demand of the current trends of development, and of regional and global cooperation over the world.

The third achievement, Minister Cam said, is that the meeting accepted Russia, China and India as ASEAN dialogue partners.

The minister stressed that these meetings manifested prominent features of ASEAN with its 'unity in diversification', 'ASEAN spirit', 'ASEAN characteristics', and 'ASEAN ways'.

At the ASEAN Regional Forum, Mr Cam said, participants, while praising the efforts exerted by the concerned countries and ASEAN to promote cooperation on the East Sea Issue, expressed their concerns over the recent developments in the area and over China's announcement of its fundamental sea delineation not in conformity with the 1982 Convention on the Law of the Sea promulgated by the United Nations.

He recalled that the meeting requested that all concerned countries keep themselves under control and make more efforts to seek peaceful resolutions for the settlement of the East Sea disputes in conformity with international laws, especially with the 1982 UN Convention on the Law of the Sea, respecting each other's national sovereignty, especially the sovereignty of coastal countries in special-economic zones and on continental shelves in line with the regulations of the UN Convention on the Law of the Sea.

Mr. Cam said that the participants agreed that the ASEAN will continue to act in an important role in speeding up the ARF process.

He also said the ASEAN foreign ministers expressed their wholehearted support to Vietnam's application to become a member of the Asian-Pacific Economic Cooperation forum (APEC).

SRV: Essay Reviews Relations With ASEAN Over Past Year

BK3007115896 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Jul 96

["Essay" by Tieu Lien entitled: "Vietnam-ASEAN — One Year After Integration"]

[FBIS Translated Text] The history of the relations between Vietnam and the world was further extended by a significant event on 28 July 1995 when the Vietnamese flag was flown for the first time alongside the national flags of the six ASEAN member countries, thereby upgrading Vietnam to a new position with numerous opportunities and challenges awaiting it on its path toward development and integration into the world. It has been one year since then. Not only has Vietnam been able to demonstrate its ability to achieve rapid integration, but it has also been able to make considerable contributions to the cause of peace, stability, cooperation, and development in the region.

One of the most prominent events following its admission to ASEAN was Vietnam's participation in the Fifth ASEAN Summit Conference and the First Asia-Europe Meeting. At the ASEAN Summit Conference, government leaders from various countries reserved their warmest congratulations for Vietnam. They highly valued the economic development achievements recorded by our country over the past few years as well as our rapid arrangements that contributed to the association.

Prime Minister Vo Van Kiet was elected vice chairman of the ASEAN summit conference and he actively participated in the various activities of many government leaders. The prime minister brought to the conference the belief that Vietnam wants to befriend all nations and wishes to achieve cooperation for mutual development on the basis of respect for each other's independence and sovereignty, and to jointly achieve diversified unity within the association.

The fact that the Vietnamese prime minister and the top leaders of other ASEAN governments solemnly signed the treaty on making Southeast Asia a nuclear weapons-free zone was eloquent evidence of Vietnam's pledge to contribute to regional peace and security.

At the first Asia-Europe meeting held early in this year, Vietnam, in its capacity as an ASEAN member country, raised its voice over various issues now facing less-developing countries; over the state in which developing countries continue to suffer from many disadvantages; over the issues of economic and trade cooperation; and over the cooperation in the tackling of environmental pollution, narcotics, and international crime.

Although Vietnam is a country with a slower pace of development than the 25 participating countries in the Asia-Europe summit conference, all of the participating top leaders of the various states and governments talked about our achievements in the renovation process, especially our open-door foreign relations policy, saying that it conforms to the current trend. They also expressed their admiration for Vietnam and their hope for closer relations. Thus, at this meeting, the role of Vietnam was equal to other countries with a higher level of development. This is precisely the new position of Vietnam in history.

Present with its full membership, Vietnam participated in various annual ASEAN foreign ministerial meetings and in the Second and Third Regional Security Forums. With this participation, Vietnam has marked a change in the political and security situation in Southeast Asia, thereby contributing to strengthening various measures to build confidence, continue the trend toward peace and stability, resolve disputes through negotiations, and prioritize efforts to create a favorable environment to help Southeast Asian retain its current growth rate, which is the fastest in the world.

Coming to the ASEAN economic ministerial conference, the Vietnamese delegation promptly participated in the discussion of the establishment of a free trade zone called AFTA. Although the gap of development between Vietnam and other ASEAN countries still exists, Vietnam has been able to win confidence in its economic growth and to attract ever-greater investment capital from among ASEAN countries. Aside from those activities at the macro level, Vietnam has also had an active involvement in other domains such as news media, exhibition fairs, and stage performances.

Vietnam's shrewdness in the ASEAN grouping over the past year has also been instrumental in promoting relations between Vietnam and other countries and international organizations. The Third Consultative Conference of Vietnam's Donor Countries in Paris, which was attended by 19 countries and six international organizations, including the United States and the World Bank, unanimously passed a financial commitment of $2.3 billion in aid for Vietnam for 1996, thus raising the total amount of aid pledged by these countries for Vietnam to $6 billion. This pledge was attained thanks to the strong appreciation of Vietnam's economic achievements by various countries and organizations in the consultative group and to the effect of Vietnam's efforts to attract foreign capital. The amount of foreign investment in Vietnam continues to increase, now amounting to $18 billion, in various important domains — such as oil and gas, services, roads, bridges, and post and telecommunications.

As Vietnam is an ASEAN member country, Vietnam's application for admission to the Asia-Pacific Economic Forum has received strong backing from ASEAN countries and will be a topic of discussion in the agenda of the summit conference of the Asia-Pacific Economic Cooperation (APEC) Organization to be held in late 1996.

It can be said that the period of confrontation between the two groupings of countries ended one year ago with Vietnam's joining ASEAN. Vietnam's potential has been multiplied thanks to the many opportunities it has enjoyed in its struggle for economic development, social and cultural progress, and for regional peace and stability. Vietnam's position has also been augmented on the world stage. Vietnam has managed to be present at the ASEAN and Asia-Europe summit conferences and has had bilateral contacts with various state leaders; it has established diplomatic relations with all the big powers, conducted diplomatic and trade exchanges with almost all the countries on the five continents, and represented ASEAN in holding dialogues with various countries on international and regional issues, and so forth. All these prove that what we have decided on is very correct and timely.

SRV: Half Year Export-Import Activities Reviewed

BK2807152596 Hanoi Voice of Vietnam in English 1000 GMT 25 Jul 96

[FBIS Transcribed Text] Vietnam's export-import turnover in the first half of this year reached over $3 billion. The total value of domestic sale reached $100,000 million [figures as heard]. Trade activities are continuously increasing in many important sectors.

Vietnam's export products during the past six months (?further saw) strategic goods with an annual average turnover of over $100 million. Many export items—including crude oil, 4 million tonnes; rice, 1.2 million tonnes; coffee, 130,000 tonnes; garment $350 million, and sea products $310 million—these seven main export products account for 60 percent of the total export turnover. Garment, the biggest export product, achieved a turnover of $350 million during the first six months. An expected figure for the whole year is $900 million.

Some other products with export turnover increased considerably were sea product and rubber. Export from foreign invested enterprises is also rising rapidly. In 1996, turnover is expected to gain $600 million, doubling that of last year.

Import activities are also developing to meet the demand of production and the people's life as well as contribute to stabilizing prices in the domestic market. Total import turnover in the first six months was $4.9 billion. The estimated import turnover for this year is over $10 billion. The surplus import is $3.5 billion. However, most of the surplus is being imported by direct foreign investment. The imported products will include machinery and equipment for production.

Stable prices for the domestic market is another notable point. The price index during the first six months increased by about 3.9 percent against 11.5 percent last year. This is the result of effective management of the government and joint efforts of other related agencies and sectors. It has achieved the target set by the National Assembly.

During the first six months, consumption demand was adequately met, and there was no unrest in the market. This evidently shows the development of domestic production and the result of an abundant sources of imported products. More importantly, management has been improved—the balance between demand and supply, circulation, and improvement of all resources from different economic sectors in circulation. It is hoped that the market in the last six months of this year will be even more active and stable.

SRV: Ho Chi Minh City Takes Action Against Foreign Companies

BK3107045496 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Jul 96

[FBIS Translated Text] The market management department of Ho Chi Minh City recently sent an official letter to the City People's Committee suggesting administrative action against a number of foreign companies whose representatives have engaged in illegal activities.

Measures have been taken against some of these companies with fines raging from 100 million dong to $10,000. The department also forwarded to the City Organ of Control, various dossiers on the illegal activities of these companies, which include bribery, tax fraud, and inciting violence.

SRV Vice Premier Tran: Hanoi To Continue Open-Door Policy

OW2807070696 Tokyo KYODO in English 0616 GMT 28 Jul 96

[By Takehiko Kajita]

[FBIS Transcribed Text] Hanoi, July 28 KYODO — Vice Premier Tran Duc Luong told Japanese Foreign Minister Yukihiko Ikeda on Sunday that Vietnam will maintain its policy of closer links with outside countries and will try to contribute to global peace and security.

Luong made the pledge while briefing Ikeda on the Vietnamese Communist Party's recent decision to maintain and further promote the country's "Doi Moi" (Renovation) policy, Japanese officials said.

At its Eighth National Congress, the ruling party decided formally to continue and accelerate Doi Moi, which Hanoi has been pressing ahead with for the past decade.

Ikeda, who arrived in Vietnam on Saturday, welcomed the enhancement of Doi Moi. He pledged to continue supporting Vietnam's drive for economic reform with financial and other assistance, the officials said.

But Ikeda urged Vietnam to improve its business framework to lure more foreign investors, including a review of its legal systems and other rules, the officials said.

As of April this year, Japan ranked second after Taiwan in terms of cumulative investment in Vietnam, with its investment amounting to some 2.3 billion dollars.

Luong, for his part, pinned high hopes on Tokyo's continued extension of low-interest yen-denominated loans to Hanoi, according to the officials.

Japan is the largest donor to Vietnam with economic assistance totaling about 80.5 billion yen in fiscal 1995 through last March 31.

After his arrival in Vietnam, Ikeda attended a ceremony with Foreign Minister Nguyen Manh Cam to sign Japan's provision of grants worth some 3.56 billion yen.

Of the sum, 3.51 billion yen will be extended over a three-year period ending in March 1999 to reconstruct bridges in northern Vietnam. In addition, 45 million yen will be handed over for educational equipment at Hanoi Foreign Language College.

Ikeda is visiting Vietnam on the final leg of his tour of three Southeast Asian nations.

After leaving Japan on July 21, Ikeda went first to Indonesia to attend a series of high-level talks held under the aegis of the Association of Southeast Asian Nations. He then traveled to Singapore for talks with Foreign Minister Shanmugam Jayakumar and other leaders. He will return home Monday.

SRV: Do Muoi Reaffirms Vietnam's Open-Door Policy

BK2807164096 Hanoi VNA in English
1543 GMT 28 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 28 — Party General Secretary Do Muoi told Japanese Foreign Minister Yukihiko Ikeda that Vietnam is interested in cooperation with neighbouring and regional countries for the benefits of each country as well as for development and stability in the region and elsewhere in the world.

At a reception here this afternoon of Foreign Minister Y. Ikeda before departure, ending his two-day official Vietnam visit, Do Muoi affirmed that Vietnam will continue renovation, carrying out open- door foreign policy of multilateralization and diversification. He also spoke highly of Japan's Official Development Aid (ODA) given to developing countries, including Vietnam.

Minister Y. Ikeda informed the Vietnamese leader of the outcome of his talks with his Vietnamese counterpart, Mr Nguyen Manh Cam, and stressed that Japan's ODA funds for Vietnam will be made full use. He hoped that Vietnam's foreign investment policy will create favourable investment environment for more foreign investors and business people, including those from Japan, to come to Vietnam.

"Apart from ODA sources, the Japanese Government is likely to help and cooperate with Vietnam in administrative reforms," he said.

He also said that Japan and Vietnam should cooperate not only bilaterally but also at multilateral forums. Japan supports Vietnam's application for APEC and WTO memberships, he added.

Earlier today, the visiting foreign minister paid floral tribute to President Ho Chi Minh at his mausoleum and visited Van Mieu (temple of literature) in downtown Hanoi.

In this regard, a spokesperson for the Japanese foreign minister held a press briefing in Hanoi.

SRV: Do Muoi Tours Southern Economic Areas

BK3107100696 Hanoi VNA in English
0710 GMT 31 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 31 — Party General Secretary Do Muoi has made a two-week working trip to the most crucial economic region in the south, including Ho Chi Minh City and its nearby provinces of Ba Ria-Vung Tau, Dong Nai, Song Be and Lam Dong. This was the first fact-finding tour for the party chief since the Eighth National Party Congress concluded early this month.

During the trip, Mr Do Muoi was briefed by the local authorities on the implementation of annual socio-economic development plans in recent years, especially in the first half of 1996, and the local 1996-2000 five-year plans. They also briefed the top party leader on what should be amended and supplemented to the current plans to conform to the resolutions of the Eighth Party Congress.

The region encompassing Ba Ria-Vung Tau, Dong Nai, Song Be, Lam Dong and HCM City has emerged as a key economic centre where industrial facilities are densely concentrated and well developed.

The region continues to be top of the list of places that have lured foreign investment across the country in terms of both projects and capital to date.

Dong Nai now has 170 foreign-invested industrial project capitalized at USD 2.7 billion while foreign investment capital in Ba Ria-Vung Tau stands at USD 945 million. Lam Dong has 26 foreign- invested projects in farm produce processing, textiles, garment and tourism industries. Song Be province now ranks first in foreign investment increasing with the number of licensed projects in 1993 up four folds over 1992 and the 1994 volume doubling that of 1993. The number of projects licensed in the first half of 1996 was equal to the 1995 figure. Song Be now has 93 foreign-invested projects with combined capital of USD 699 million.

Ba Ria-Vung Tau remains an attractive destination for foreign investors. Apart from the oil and gas industry, the planning of Phu My City and nine concentrated industrial parks is underway with the construction of power, fertilizer, cement, rolling steel and plastic plants. Meanwhile, Phu My Port is being built to accommodate 40,000-tonne freighters in the first phase and to raise its cargo handling capacity to four million tonnes per year in the second phase of construction.

In addition, with an output of one million cubic metres of gas pumped from off-shore oil fields per day at present - expected to triple in the near future. When the Nam Con Son gas deposit begins exploitation - Ba Ria-Vung Tau will become a location for a large- scale electric and chemical industrial complex.

According to a local report, as many as 15 concentrated industrial parks are under construction, including Go Dau, Nhon Trach, Long Binh and Bien Hoa industrial facilities.

The local industrial sector has generated employment for 42,000 people in Dong Nai and 7,000 others in Ba Ria-Vung Tau since the beginning of 1996 while 170,000 people were provided jobs in HCM City last year.

By the turn of this century, the industrial proportion of the local economy will be 69 percent in Ba Ria-Vung Tau, 42 percent in Song Be and 52 percent in Dong Nai.

While discussing industrial development with local authorities and developers, Mr Do Muoi gave special attention to the kinds of technology to be selected for investment in each locality in an effort to achieve higher economic efficiency.

'While carrying out the open-door foreign policy and integrating into regional and world economies, Vietnamese producers have to confront strong competition from foreign giant corporations. The marketplace is as tough as a battlefield. We will be defeated on our own territory if we cannot solve the question of economic efficiency,' Do Muoi said to local policy makers and industrialists.

SRV: Government Holds Regular News Conference 27 Jul

BK2807111996 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Jul 96

[FBIS Translated Text] The Government Office held a regular news conference in Hanoi this morning under the chairmanship of Minister Le Xuan Trinh to announce the status of implementation of government plans during the first seven months of the year, and the measures to fulfill the 1996 targets.

In general, production activities and the life of the population have been developing satisfactorily over the past seven months. Agricultural harvests were abundant; the gross output of the latest winter-spring planting season reached 12.9 million tonnes, which is a record rice harvest. The current summer-fall rice harvest is also promising high yields. Industrial output increased by 13.3 percent as compared to the same period last year. Prices of services and consumer goods in July decreased by 0.7 percent compared to last month. For the seven-month period, prices increased by a total of 2.6 percent; during this period, prices of food grains decreased 3.6 percent, prices of other food staples increased 6.1 percent, and prices of services increased 5.2 percent.

The total export value reached nearly 50 percent of the annual plan, while the total import value reached 58 percent of the plan. This resulted in an import surplus of $2.159 billion.

Investment for capital construction in July reached 46.7 percent of the plan; domestic capital was high and foreign capital reached only 25 percent of the plan.

Budget revenue in July increased by 3 percent as compared to June, but in total this year it reached only 48 percent of the annual plan — though as compared with the same period last year, collection this year was 17.8 percent higher.

The socioeconomic situation in the last seven months presents five issues that the government is striving to work out measures to rectify:

First, product sales are slow. In the southern provinces, there are about two million tonnes of food grains in stock. Rice prices have plunged and caused losses to farmers. Sugar mills were unable to consume all the sugarcane produced by farmers, causing sugarcane price to dip to around 100,000 dong per tonnes. There are still about 200,000 tonnes of steel of various types in stock, as well as 500,000 tonnes of cement.

Second, budget revenue collection is low, shifting the heavy burdens of accelerating collection and cutting down expenditures in the final months of the year if the collection targets set by the National Assembly are to be reached. The tasks of debt collection and capital mobilization by the population should be intensified.

Third, the current decreasing inflation rate somewhat benefits consumers, but it harms production. The government is taking measures to keep the rate at a reasonable level of under 10 percent in order to create conditions for stable economic growth.

Fourth, the rate of capital construction investment this year from the state budget is slow. For the immediate future, financial procedures should be finalized for 170 projects already on the agenda, so that they can start early.

Fifth, the import surplus should be balanced by increasing rice exports. Measures should be taken to reduce the buying power of the Vietnamese dong, and to control the import of goods with delayed payment.

In addition to these five issues, the government also directs all sectors and all echelons to counter the heavy damages of storm No. 2, speed up the cultivation work of the tenth-month rice season, and continue preparations to cope with floods and storms.

SRV: Deputy Premier on Oil Refinery Plant; Minister on Capital

BK2807111796 Hanoi Voice of Vietnam in English 1000 GMT 25 Jul 96

[FBIS Transcribed Text] Deputy Prime Minister Tran Duc Luong has urged authorities of the central province of Quang Ngai to identify their preparations for the plan of construction of the first oil refinery and an industrial zone in Dung Quat.

He said: Preparatory work, particularly site clearance and population relocation must be accelerated so that construction of the oil refinery and Dung Quat industrial zone could commence on schedule by December this year. The deputy prime minister was speaking at his discussion with Quang Ngai Province early this week.

Meanwhile, Minister of Planning and Investment Do Quoc Sam said the government hopes domestic capital accumulation will account for 30 percent of the Gross National Product by the year 2000. He added that mobilized domestic capital should represent half of all investments by the state. He outlined current thinking on the ways to achieve the state's goal of Vietnam's being a newly industrialized country by the year 2020. He said that Vietnam needed about $41-42 billion of development capital during 1996-2000 period.

SRV: Hanoi Police Captain Implicated in Drug Trafficking

BK2707140096 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Jul 96

[FBIS Translated Text] The Hanoi Municipal Public Security Force arrested Captain Vu Xuan Truong on 2 July. He was born in 1960 and served at the Criminal Police Department under the Ministry of Interior.

A search of Vu Xuan Truong's residence at 29 Giai Phong Street in Hanoi led to the detection and seizure of 4.9 kg of heroin and over $80,000 in cash. Eight other accomplices in this drug-smuggling syndicate were also arrested.

When this news was made public by the Ministry of Interior, the public was still unaware that the arrest of Vu Xuan Truong was only a follow-up step of an important court case that took place a year ago when the Hanoi Municipal Public Security Force discovered a major heroin trafficking case involving two Lao nationals who then stayed at the La Thanh Hotel in Hanoi.

The main culprit of this case, Sieng Phenh, has been given a death sentence by the Vietnamese court. It is reported that Sieng Phenh remained tight-lipped, without giving any further testimony, for one and a half years, while he was in prison. It was not until the morning of 21 June 1996, when his death sentence became effective and as he was about to be taken to face the executioner, that Sieng Phenh asked that his execution be postponed so he could reveal the names of his 20 or so accomplices, which included Vu Xuan Truong.

The People's Supreme Court has organized many interministerial investigations to verify Sieng Phenh's testimony. Through this, all of Vu Xuan Truong's obscure activities from all the way back to when he was still working as a policeman in Lai Chau have come to light, as have all the illegal acts committed by him as a member of the narcotic-trafficking syndicate with Sieng Phenh, the man sentenced to death, who was an accomplice of Vu Xuan Truong's.

This case of illegal heroin trafficking involving Vu Xuan Truong and Sieng Phenh continues to unfold.

Australia

Australia: 'Incident' Between U.S. Military Jets, Airliner

LD3107105396 Melbourne Radio Australia in English 0900 GMT 31 Jul 96

[FBIS Transcribed Text] The Royal Australian Air Force says new procedures introduced to an air defense exercise will avoid a repeat of an incident involving two United States military jets and an airliner. The two F-15 fighters came within 9 km of a Cathay Pacific Airbus flying at 35,000 feet over the Northern Territory. The exercise commander, Air Commodore Ray Perry, said the jets were taking part in Exercise Pitch Black and were 7,000 feet above the exercise ceiling. Air Commodore Perry says the Air Force acted as soon as the Cathay Pacific captain reported the incident.

[Begin Perry recording] That is a matter which has concerned us and we, I believe, took appropriate action when that was pointed out to us yesterday. As soon as we became aware of the incident, we immediately grounded all exercise traffic. We then reviewed all of our procedures, changed those procedures to make the exercise even safer than it was, and we have now allowed exercise flying to recommence. [end recording]

Australia: Editorial Blames Suharto's 'Inflexibility' for Unrest

BK3107054496 Sydney THE SYDNEY MORNING HERALD in English 31 Jul 96

[Editorial: "Danger Time for Suharto" — received via Internet]

[FBIS Transcribed Text] Among Australia's international interests, none is more important than to see stability maintained and prosperity increased in its largest neighbour, Indonesia. It is dismaying then to see the political and economic health of Indonesia now threatened. It is even more troubling to realise that this deteriorating situation not only is chiefly the responsibility of President Suharto himself but also is a direct result of his inflexibility, and so is unlikely to be reversed easily or soon.

Democracy in Indonesia is much less than perfect. The consent by which the government rules is not as broad as that which comes from free elections as they are understood in Australia. Only two parties apart from the ruling party Golkar are allowed and the Suharto government actively interferes in both of these. The recent disturbances, culminating in the clash at the headquarters of the Indonesian Democratic Party (PDI) in Jakarta on Saturday, reflect this. Police stormed the PDI building to remove supporters of the former party leader, Megawati Sukarnoputri. The police acted in the name of state security. But their action against supporters of the daughter of Sukarno, the founding president of Indonesia, has probably had an opposite effect.

To maintain harmony and stability in Indonesia's political system it was always necessary to keep Mrs. Megawati within it. That meant allowing her and the party she headed to participate in what limited democratic processes the system allowed. Instead, the Suharto government has acted to crush her by removing her from the head of her party. In the process it has made her far more consequential than she would otherwise have been. There was plenty of room for Mrs Megawati and the PDI to be accommodated electorally without their becoming in any way a threat to the Government. Now, with her ousted and the government's hand heavy on the PDI, there is a ready focus for antigovernment feeling. The government has created a situation in which it has little room to move, except in the direction of ever-increasing repression. That means an ever-increasing risk of political explosion.

That, of course, can have a very damaging economic effect, especially on foreign investment, as is already plain. In fact, these political miscalculations have made an already bad situation worse. Even before its mishandling of the challenge presented by Mrs Megawati, the Suharto government had taken economic policy decisions damaging to international business confidence. The plan for a "national car" is a prime example. Under this plan, a consortium connected with the Suharto family was granted an exclusive duty-free exemption - and so price advantage - not available to other car manufacturers. Japanese companies which have invested heavily to establish the Indonesian car industry see this as unfairly reducing the worth of their investment. They are hardly alone in having their confidence shaken by a policy widely seen as discriminatory and short-sighted.

There is little the Australian Government can do but watch and await developments. But in doing that it must ensure it has lines of communication open to all sections of Indonesian opinion, in the government, the armed forces and in all political groupings. President Suharto, who has done so much to hasten the economic development of Indonesia, has begun a period of living dangerously. Australia can only hope he ceases to make more difficulties for himself and his government and responds with imagination and sensitivity to those he has already created.

Papua New Guinea

Papua New Guinea: Canberra Accused of Condoning 'Treasonous Actions'

BK3107054896 Sydney THE SYDNEY MORNING HERALD in English 31 Jul 96

[Article by Greg Roberts: "PNG's Threat To Cut Ties — received via Internet]

[FBIS Transcribed Text] The Prime Minister of Papua New Guinea [PNG], Sir Julius Chan, has launched an extraordinary attack on Australia, accusing Canberra of condoning "treasonous actions" against his country and suggesting PNG may reject Australia's $20 million a year in defence aid.

The minister for foreign affairs, Mr. Downer, responded by criticising the current PNG military offensive on Bougainville as "mistaken".

At the same time, hopes for a peaceful resolution of the Bougainville crisis were set back by rebel attacks on the island which left at least three PNG security personnel dead.

Sir Julius told the PNG Parliament yesterday that he had ordered his defence forces to review the Australian military aid program.

"Too heavy a reliance has created a paternalistic Australian mentality and is a form of post-colonial bondage," he said.

In a reference to PNG's growing military ties with Singapore and other nations, Sir Julius said PNG should be "diversifying our relationships with friendly countries".

He was responding to a suggestion last week by Mr. Downer that defence aid could be cut because PNG had breached conditions attached to the use of Australian-supplied Iroquois helicopters by using them in an offensive capacity on Bougainville.

"Now that Mr. Downer has seen fit to issue an open threat to PNG, then I guess it's time for the entire arrangement to be reviewed," Sir Julius said.

"I fail to understand how Mr. Downer can continue to get it so wrong ... I am appalled that some people can be so naive about what is happening on the ground on Bougainville."

He attacked Canberra for doing nothing to stop activists of the Bougainville Revolutionary Army (BRA) from disseminating "self- seeking propaganda" from Australia.

"I will not sit back while Australia gives the impression it prefers to side with various of our citizens resident there, who actively campaign against our territorial integrity."

A spokesman for Mr. Downer said Sir Julius had admitted during a television interview that there had been breaches of the conditions on the helicopters' use: "It was on that basis that the Government told PNG it regretted the breaches and expected observance in the future."

He said PNG's foreign minister, Mr. Kilroy Genia, had indicated PNG wanted to review Australia's aid program and the government was willing to discuss it.

The spokesman said there was no question of curtailing the freedom of speech of Australians simply because of their views on Bougainville. "The relationship with PNG is robust enough to ride through these periodic rough patches," he added.

Sir Julius had planned to make a major statement on Bougainville yesterday, but his office said it had been delayed due to "unprovoked incidents" on the island.

Military sources said two PNG soldiers were shot dead during a BRA ambush near the Toimanapu plantation in central Bougainville. A policeman was killed in a separate ambush near the village of Manutei, north of the former provincial capital of Arawa.

Both incidents occurred on Monday. The military could not confirm claims by BRA sources that another soldier and a member of the pro- PNG resistance militia were also killed in the Manutei attack.

Hopes of a resolution to the eight-year conflict were raised last week when the BRA indicated it might drop its demand for full independence, while Mr. Genia suggested that Bougainvilleans might be given greater autonomy.

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